



Less than a month after moving into their rental house with a one-year lease, Joe and Suzy were given an eviction letter. The woman at their door explained that the house had been foreclosed.

Joe and Suzy had just completed the move into their new rental home. They were preparing to get the kids settled in school and finally relax.

As the couple staggered with the news, the woman quietly explained the “Cash for Keys” program. If they agreed to move out in a matter of days and turn over the keys, they would be paid; otherwise they would be evicted.

Stunned Joe and Suzy couldn’t believe it was happening. They had worked with a property management company, paid their deposits, connected utilities—even met the neighbors. Their children, at that moment, were playing down the street with new friends.

This scenario is new to the Columbia Gorge, but unfortunately happening more frequently. A good property management company should be able to help.

What happens to families like the hypothetical Joe and Suzy?

This May the Federal government passed the Protecting Tenants at Foreclosure Act of 2009.

In the simplest form the Foreclosure Act says:

- o A bona fide tenant may stay in the home for the term of the lease. However, the new owner may terminate the lease by giving the tenant 90 days notice.
- o A bona fide tenant is:
 - A tenant with a written lease and paying rent not substantially less than market rate
 - A tenant who is not the person who had the loan on the house, their spouse, child or parent.

How does a property management company protect a tenants’ rent and deposit money?

Renting through a professional property management company protects tenants from losing all of their rent and deposit money. When a tenant pays first and last months’ rent plus a security and pet deposit, the funds are placed in a trust account. The rent balance is forwarded to the owner at the end of each month. Should the property be foreclosed the last month’s rent and any applicable deposits will be returned to the renter. If a property is rented by an individual owner and not through a property management company it may be difficult to locate the owner for any money to be returned.

What steps does Gorge Rentals Property Management take...

Prior to and during a tenancy...

- o Ask the owner if they are current in payments.
- o Check public notices in the four counties of the Columbia Gorge
- o If a public notice is seen for a property managed by Gorge Rentals, owners are contacted immediately. Many times owners are in a loan modification program and are able to retain home ownership.
- o Check with title companies to see if a property foreclosure has been completed.
- o If the owner is in need of assistance one of the Certified Distressed Property Experts in the Gorge Property Real Estate Team is consulted.

When an eviction notice is delivered...

- o Assist the tenant in contacting an eviction attorney
- o Verify a transfer of ownership in the county
- o Assist tenants in locating a new rental.

If the deed has been transferred, then Gorge Rentals no longer has a contract to manage the property. Rent is prorated as of the date of deed transfer, deposits are returned with keys to the tenant. Gorge Rentals no longer has the ability to make repairs or collect rent. Tenants can certainly call with questions and the team at Gorge Rentals will help when possible.

Information on a house is not made public until a public notice is filed for a trustee sale. Gorge Rentals can only rely on the owner’s information to find out if an owner is behind on payments or needs mortgage assistance. Sadly there are times when owners in financial trouble rent the home, but don’t know or think of the potential difficult situation for the renters.

Foreclosure is difficult for all parties involved. Gorge Rentals endeavors to make an unfortunate event as smooth as possible for all parties.

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Gorge Rentals Property Management, the only full service property management company in the Columbia Gorge, has a portfolio of vacation, corporate, monthly and long-term homes for rent.