

HB 125

2010

1                   A bill to be entitled  
2           An act relating to rental property foreclosure or short-  
3           sale actions; requiring lenders to notify tenants or  
4           lessees of potential foreclosure or short-sale actions  
5           against the rental property; requiring the lenders to  
6           provide tenants or lessees a first right of refusal to  
7           purchase the property at fair market value; specifying  
8           eligibility requirements to exercise such right; requiring  
9           lenders to use certain escrow funds for certain purposes;  
10          specifying lender liability for certain costs for failure  
11          to comply with certain notice requirements; specifying  
12          time restrictions on tenants or lessees bringing actions  
13          for damages; providing an effective date.

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15 Be It Enacted by the Legislature of the State of Florida:

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17           Section 1. (1) Upon consideration of initiating a  
18 foreclosure or short-sale proceeding against mortgaged property  
19 that is subject to a rental or lease agreement, the lender shall  
20 notify each tenant or lessee that such action may be initiated  
21 against the property of which the tenant's or lessee's dwelling  
22 unit is a part. The lender shall provide the tenant or lessee  
23 with a first right of refusal to purchase the property at fair  
24 market value. In order to exercise such right, the tenant or  
25 lessee must show proof of the rental agreement and a rental  
26 history of at least 1 year. The lender shall use any funds held  
27 in escrow relating to such mortgage or note for the purpose of  
28 closing costs of the purchase if the tenant or lessee chooses

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29 the option to purchase. If the tenant or lessee does not choose  
30 the option to purchase, the lender shall use such escrow funds  
31 to relocate the tenant or lessee.

32 (2) Failure to comply with the notice requirements of  
33 subsection (1) renders the lender liable for closing costs or  
34 relocation costs and attorney's fees and related costs. Any  
35 action by the tenant or lessee to recover damages must be  
36 brought within 90 days after such notice or after the tenant or  
37 lessee learns of the lender's failure to provide such notice.

38 Section 2. This act shall take effect July 1, 2010.