

By Senator Sobel

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

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

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

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

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

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