AN ACT TO STABILIZE NEIGHBORHOODS CONCERNS & COMMENTS

foreclosure [redacted] concerns over amendments

To: Members of the Massachusetts House and Senate
From: Massachusetts Alliance Against Predatory Lending
Date: May 2009
Re: Concerns Regarding Proposed Amendments to M.G.L. c. 266

Do Not Punish Victims of Predatory Lending

The Senator Tucker and Representative Honan have each proposed amending M.G.L. c. 266, §§ 33, 34, and 35, to classify certain fraudulent and false statements and representations made during the residential mortgage application process as larceny, making such statements and representations punishable as crimes. While the Massachusetts Alliance Against Predatory Lending (MAAPL) acknowledges the harm that such fraudulent and false statements pose, MAAPL believes that the proposed measures unduly threaten low-income and less experienced borrowers with criminal prosecution. The safe harbor provisions included in the proposed bills and under existing statutes do not adequately protect inexperienced borrowers from prosecution. Further, Massachusetts law already provides adequate means to prosecute fraud in the residential mortgage lending industry, rendering these overly intrusive proposals unnecessary.

To be clear, we do not believe that borrowers who commit fraud in the lending process should be able to do so with impunity, but existing law provides sufficient remedies to insure against such conduct. Further, we strongly believe that given the current economic crisis and its impact on inexperienced and disadvantaged borrowers, the Massachusetts legislature should not consider enacting legislation designed to punish such borrowers.

Accordingly, we urge members of the Massachusetts House and Senate to reject Sections 5-7 of Senator Tucker's proposed bill, An Act to Stabilize Neighborhoods, and Sections 5-7 of Representative Honan's bill, An Act to stabilize neighborhoods through the protection of tenants in foreclosed properties.

I. The Language of Senator Tucker and Representative Honan's Bills

The language of Senator Tucker and Representative Honan's bills is quite similar and is generally aimed at correcting the underlying factors that gave rise to the recent foreclosure crisis. MAAPL has proposed separate legislation, also designed to mitigate the disastrous effects of the current housing crisis, and we recognize that Senator Tucker and Representative Honan's proposed bills contain many overlapping interests with MAAPL's proposed bills. However, with respect to Sections 5-7 of the bills proposed by Senator Tucker and Representative Honan, MAAPL is concerned that the language in these subsections could be used to target borrowers, rather than to protect them from predatory lending.

In essence, the proposed revisions to M.G.L. c. 266, §§ 33-35, would subject borrowers to criminal sanctions for making false or fraudulent representations during the residential mortgage application process. While the proposed revisions include certain safe harbor provisions, those provisions are inadequate to protect borrowers sufficiently.

A. Proposed amendments to M.G.L. c. 266, § 33(2) - Larceny

Both Senator Tucker and Representative Honan's proposed bills would amend M.G.L. c. 266, § 33(2) to read:

> [W]hoever, with intent to defraud, by a false statement in writing respecting the financial condition, or means or ability to pay, of himself or of any other person, obtains for himself or for any other person credit from any bank or trust company or any banking institution or any mortgage lender . . . or any retail seller of goods or services accustomed to give credit in any form whatsoever shall be guilty of larceny.

See Sen. Tucker's Bill, § 6; Rep. Honan's Bill, § 5. This proposed language is sweeping. As written, it would make a borrower guilty of larceny in any situation where the borrower, or a co-borrower, made a fraudulent representation when applying for credit. This would apply not only in residential lending, but in any retail sales or services transaction as well. This language essentially put the onus, even if not the ultimate burden, of disproving fraud on the borrower.

We have observed three trends that may result in inaccurate representations regarding a borrower's creditworthiness: (1) some mortgage brokers independently falsify borrowers' incomes to insure that their mortgage applications are accepted; (2) some mortgage brokers induce borrowers to exaggerate their income, leading borrowers at times to submit false or exaggerated information with their loan application; and (3) some less experienced borrowers make good faith mistakes or estimates when providing information about their creditworthiness to lenders.

Particularly during the peak of the current housing crisis, mortgage brokers often rushed borrowers to take out loans and encouraged them to take on more debt than they should have. The environment was fostered by rising housing prices and the false promise of refinancing. By the time borrowers reached closing, intentionally or not, many of them had already made inaccurate representations about their financial status to their mortgage brokers, which is the information that was used as the basis for their final rental application. Throughout the process – from signing a purchase and sale agreement through the actual closing – the borrowers readily signed dozens of papers, all written in technical legal jargon, that restate the inaccurate financial information submitted with their loan application. Thus, once the borrower has made one inaccurate or false representation about finances, then repeat false representations are bound to follow.

Enforcement of the proposed statute would likely be brought only in the case of default, compounding the risks to the individual borrowers who may have been duped into a mortgage that they could not afford. Refinancing has obviously proved not to be a viable alternative for the vast majority of borrowers who were sold on high cost, adjustable rate loans, which are now invariably underwater. Thus, default on these high cost loans is very likely.

If prosecuted, disproving fraud would be daunting and expensive for these individuals. For a borrower to prove that a mistake in creditworthiness representations was made in good faith, and not "with intent to defraud," or that the mortgage broker falsified information, would be very difficult. Determinations of whether fraud occurred involve fact intensive investigation, which is costly in terms of both expense and time, and it requires competent legal representation. Even with competent representation, good faith mistakes and mortgage broker deceit are

generally not memorialized in writing. Proof would likely come down to a borrower's word against a lender's word.

In any case, the wisdom of prosecuting individuals who cannot afford to pay their mortgage appears lacking to us. Clearly, lenders will not be able to recover lost profits from these individuals as the borrowers who could not come up with money to save their home will likely be unable to pay fines either to the Commonwealth or to the lender. The threat of civil or criminal prosecution may prove a further deterrent than existing laws, but to us this seems unlikely. In fact, from our observation, we do not think that the current housing crisis was brought about primarily due to borrower deceit. We think that the crisis was brought about instead by the collective poor judgment of the residential mortgage industry. Thus, to us, while perhaps well intentioned, punishing borrowers who have lost their homes seems like a misguided way to correct these problems. We would instead encourage the Commonwealth to crack down on predatory lending

B. Proposed Amendments to M.G.L c. 266 § 34 – Larceny; inducement to part with property

Both Senator Tucker and Representative Honan's proposed bills would amend M.G.L. c. 266, § 34 to read:

> Whoever, with intent to defraud and by a false pretence, induces another to part with property of any kind or with any of the benefits described in the preceding section shall be guilty of larceny.

See Sen. Tucker's Bill, § 6; Rep. Honan's Bill, § 6.

Again, this language is very broad, exposing borrowers to potential prosecution with significant potential penalties (the House bill allows for imprisonment up to five years or fines up to $25,000). Proving or disproving intent to defraud, as mentioned in the previous section, is very difficult and fact intensive. This amended language would potentially subject relatively inexperienced borrowers who may have been the target of predatory lending schemes with potential sanctions for their unfortunate situation.

C. Proposed subsection to M.G.L c. 266, § 35A - Residential Mortgage Fraud

Both Senator Tucker and Representative Honan's proposed bills would amend M.G.L. c. 266 to add § 35A, which would make residential mortgage fraud a crime punishable by up to five years in prison. *See* Sen. Tucker's Bill, § 5; Rep. Honan's Bill, § 7 (Representative Honan's Bill, hopefully merely due to a drafting oversight, *does not even require a showing of fraudulent intent* to prove a violation under the proposed subsection).

The proposed language is vague, but it in essence creates steep sanctions for parties, including borrowers, that commit fraud during the residential mortgage application process. For reasons similar to those explained above, this proposed subsection would create yet another avenue for zealous prosecutors or lenders to prosecute inexperienced borrowers who may have been victims of predatory lending.

D. Inadequate Safe Harbor Provisions

Senator Tucker's bill contains no safe harbor provision for borrowers.

Section 7(e) of Representative Honan's proposed bill provides a safe harbor provision, which states: "It shall be a rebuttable presumption that a borrower in the residential mortgage lending process did not make a false material statement or a material omission." While that language appears to protect borrowers, the following sentence reads: "Two or more single incidents or occurrences of fraud in the mortgage lending process shall be sufficient to overcome this rebuttable presumption." Rep. Honan's Bill, § 7(e). Since borrowers must always make multiple representations regarding their financial circumstances and qualifications during the mortgage application process, in all likelihood, if a borrower made a single false statement or omission, then the borrower likely would have made at least two such statements or omissions, rendering the safe harbor provisions useless.

Further, this safe harbor provision only applies to the proposed subsection, M.G.L. c. 266, § 35A, and not to §§ 33 or 34 discussed above. Thus, the same conduct that might be somewhat protected by the proposed language of § 35A could constitute *fraud* under the proposed revision to M.G.L. c. 266, § 33, or *fraud by false pretence* under M.G.L. c. 266, § 34. (The existing M.G.L. c. 266, § 35 provides some, but very ineffective, safe harbor already.)

In summary, no language in either of the proposed bills provides borrowers any assurances that they would not be subject to prosecution if they made material omissions or false statements during the lending process – residential or otherwise. Thus, these proposed bills create additional bases whereby prosecutors or lenders could target vulnerable populations.

II. Adequate Remedies Already Exist to Prosecute Mortgage Fraud

While current Massachusetts criminal law does not explicitly provide for the sanctions proposed in the referenced bills, adequate criminal and civil penalties are already available under existing law.

A. Criminal sanctions

Federal law covers much of the conduct targeted in these proposed bills. Under 18 U.S.C. § 1344:

> Whoever knowingly executes, or attempts to execute, a scheme or artifice (1) to defraud a financial institution; or (2) to obtain any of the moneys, funds, credits, assets, securities, or other property owned by, or under the custody or control of, a financial institution, by means of false or fraudulent pretenses, representations, or promises . . . shall be fined not more than $1,000,000 or imprisoned not more than 30 years, or both.

Under this and related laws, U.S. attorneys, when appropriate, prosecute individuals and lenders for instances of bank fraud.

In Massachusetts, M.G.L. c. 266 § 76 allows the Commonwealth to prosecute individuals for actions amounting to gross fraud under common law. Presumably, that may include the fraudulent activities that the proposed bills attempt to proscribe.

B. Civil liability

Under M.G.L. c. 93A, § 2, unfair lending practices are prohibited. Pursuant to 940 CMR 8.05, the Code of Massachusetts Regulations defines an "unfair or deceptive act" to include a mortgage broker or mortgage lender's (1) failure "to make any disclosure, or fail to provide any document, to a consumer required by and at the time specified by any applicable state or federal law, regulation or directive"; (2) concealment of or failure to disclose any fact relating to the loan transaction, disclosure of which may have influenced the borrower not to enter into the transaction with the broker or lender"; and (3) failure "to take reasonable steps to communicate the material facts of the transactions in a language that is understood by the borrower."

As is obvious from this language, the Code of Massachusetts Regulations goes to great lengths to protect borrowers, prohibiting lenders from engaging in the nefarious types of fraudulent representations included in the proposed bills.

III. Conclusion

While MAAPL recognizes the value of combating fraud in the residential real estate lending industry, we believe that the proposed bills create too much potential for lenders and prosecutors to unfairly target disadvantaged borrowers with criminal sanctions. Most of the fraudulent conduct proscribed under the proposed bills may already be prosecuted under existing federal and state laws. Therefore, we do not believe that the limited benefits of enacting these anti-fraud provisions are justified.

The Commonwealth of Massachusetts
House of Representatives
State House, Boston 02133-1054

CLEON H. TURNER
STATE REPRESENTATIVE
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October 13, 2009

Susan C. Tucker, Senate Chair
Kevin G. Honan, House Chair
Joint Committee on Housing
Rooms 38 and 424, State House
Boston, MA 02133

Dear Chairwoman Tucker, Chairman Honan, and Members of the Committee,

Enclosed please find comments and suggestions regarding HB 1232, *"An Act To Protect Tenants In Foreclosed Properties From Evictions"*. I realize that the hearing on this proposed legislation was held some time ago but knowing that the bill is still in Committee, I hope you will allow me this opportunity to express my views.

I support the concept of protecting *tenants* in *rental* properties that have been foreclosed but I have great concern about providing a foreclosed owner of a residential property that has never been used as rental property with the status of a tenant and in making a foreclosing entity an accidental landlord. Though I appreciate the fact that there have been lenders who have trap unsuspecting buyers into mortgages they can't handle, there are many, many lenders who conduct business in an open and above board manner. Those lenders should not be forced to be unsuspecting landlords when they find it necessary to foreclose a mortgage. Any lender who has provided financing for a property the lender knew was a rental property should understand that, upon foreclosure, there are likely to be innocent renters who deserve some protection. I applaud that aspect of HB 1232.

As you know, there are serious laws and regulations that landlords must abide by when dealing with tenants. To place a foreclosed owner in the position of a tenant and the foreclosing mortgage holder in the position of landlord is grossly unfair.

Though the changes in the attached document may look complex, the two simple changes in the legislation are:

1. I have changed that part of the legislation that would make the foreclosed owner a "tenant". I have also added the definition of "former owner occupant" that was, I am sure, inadvertently left out of the legislation.

2. I have also added language that would provide the former owner up to three months to vacate the property without being evicted during that time.

All other changes in the attached document simply adjust the language for those two changes. I believe the attached explanations are self explanatory. If you have any questions, please feel free to contact me. I have the attached document available for e-mail if you would like to have an electronic copy.

Sincerely,

CLEON H. TURNER
STATE REPRESENTATIVE
1st Barnstable District

The Commonwealth of Massachusetts **In the Year Two Thousand and Nine** AN ACT TO PROTECT TENANTS IN FORECLOSED PROPERTIES FROM EVICTIONS. *Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:* WHEREAS the deferred operation of this act would tend to defeat its purpose which is to protect citizens of the Commonwealth, therefore it is hereby declared to be an emergency law necessary for the immediate protection of the public. SECTION 1. The general laws are hereby amended by adding after chapter 186, the following new chapter:-	EXPLANATION OF PROPOSED CHANGE ▼
Chapter 186A. *Tenant protections in foreclosed* housing accommodations ~~properties~~.	If the actual intent of the legislation is to protect *tenants*, there is no reason to provide a former owner with the status of a tenant or to change the nature of a dwelling from a single family residence to a rental unit.
Section 1. As used in this chapter, the following words shall, unless the context clearly requires otherwise, have the following meanings:	
'Entity', a business organization, or any other kind of organization, including without limitation, a corporation, partnership, trust, limited liability corporation, limited liability partnership, joint venture, sole proprietorship, or any other category of organization, and any employee, agent, servant or other representative of such entity. This definition shall not include individuals.	It seems that the intent is to address business entities that normally deal in mortgages and foreclosures. But the definition traps an individual who might have provided a friend or relative with financing they might not have otherwise gotten. A sole proprietorship can be an individual.

viction', any action, without limitation, by a foreclosing owner of a housing accommodation which is intended to compel a former owner-occupant under Section 3 of this Chapter or a tenant ~~or, now tenant at sufferance,~~ to vacate or to be constructively evicted from such housing accommodation.	Note: rearranged wording. A former owner occupant should not receive the status of a tenant in a structure that has not been used as or intended to be a rental unit. In addition, someone who is a tenant at sufferance should not be provided with protections they would not otherwise have. A tenant at sufferance is someone who holds possession without right. ***A foreclosed owner has the protection created in Section 3 of this new Chapter 186A.***
"Foreclosing owner', an entity that holds title, in any capacity, directly or indirectly, without limitation, whether in its own name, as trustee, or as beneficiary, to a housing accommodation that has been foreclosed upon, and either (1) held or owned a mortgage or other security interest in the housing accommodation at any point prior to the foreclosure of the housing accommodation or is the subsidiary, parent, trustee, or agent of, or otherwise is related to any entity which held or owned the mortgage or other security interest in the housing accommodation at any time prior to the foreclosure of the housing accommodation; or (2) is an institutional mortgagee that acquires or holds title to the housing accommodation within three years of the filing of a foreclosure deed on the housing accommodation.	
'Foreclosure', a legal proceeding to terminate a mortgagor's interest in property, instituted by the mortgagee, either to gain title or to force a sale in order to satisfy the unpaid debt secured by the property, including, without limitation, foreclosure by action, by bill in equity, by entry and continuation of possession for three years, and by sale under the power of sale in a mortgage as described in chapter 244 of the general laws.	
'Former Owner Occupant', Any person who owned and occupies a foreclosed property or family member of such person. Any foreclosed owner or family member who moves into the property after notice of foreclosure has been delivered to the foreclosed owner shall not be entitled to the protections in this statute.	This term is used throughout the legislation but has not been defined. This change would also prevent a former owner from moving into a property after they have received a notice of eviction and then claiming the rights of an owner occupant under this legislation. ***A foreclosed owner has the protection created in Section 3 of this new Chapter 186A.***

'Housing accommodation', any building or buildings, structure or structures, or part thereof or land appurtenant thereto, or any other real or ~~personal~~ property ~~used~~, rented or offered for rent for living or dwelling purposes, together with all services connected with the use or occupancy of such property.	Why is personal property included? This also follows my theme of limiting the legislation to property used as rental property and intended to have been rental property.
'Institutional mortgagee', any entity, or any entity which is the subsidiary, parent, trustee, or agent of, or otherwise related to any such entity, that holds or owns mortgages or other security interest in three or more housing accommodations, or acts as a mortgage servicer of three or more mortgages of housing accommodations. 'Just Cause', at least one of the following: (a) the tenant has failed to pay a reasonable rent to the foreclosing owner, but only if the foreclosing owner notified the tenant in writing of the amount of such reasonable rent and to whom it was to be paid; (b) the tenant has violated an obligation or covenant of the tenancy or occupancy ~~other than the obligation to surrender possession upon proper notice~~ and has failed to cure such violation within a reasonable time after having received written notice thereof from the foreclosing owner; (c) the tenant is committing or permitting to exist a nuisance in, or is causing substantial damage to, the unit, or is creating a substantial interference with the quiet enjoyment of other occupants; (d) the tenant is convicted of using or permitting the unit to be used for any illegal purpose; (e) the tenant who had a written lease or other rental agreement which terminated on or after the effective date of this chapter, has refused, after written request or demand by the foreclosing owner, to execute a written extension or renewal thereof for a further term of like duration and in such terms that are not inconsistent with the provisions of this chapter; (f) the tenant has refused the foreclosing owner reasonable access to the unit for the purpose of making necessary repairs or improvement required by the laws of the United States, the Commonwealth or any subdivision thereof, or for the purpose of inspection as permitted or required by agreement or by law or for the purpose of showing the rental housing unit to a prospective purchaser or mortgagee; (g) a binding purchase and sale contract with a purchaser who intends to occupy the housing accommodation as such purchaser's primary residence and who is not a foreclosing owner, where such agreement requires the housing accommodation or some portion thereof to be conveyed vacant. Just cause shall include any reason for eviction stated in a statute, the existing lease, or in lease terms	The danger in listing the issues that provide just cause is that you may leave out issues that are

ted in terms of a subsidy agreement between the foreclosed landlord and any agency or entity providing rental subsidies of any kind or nature. Failure or refusal of any person or entity that is providing a rental subsidy to any tenant at the time of foreclosure to pay the rental subsidy to the foreclosing owner after receiving notice of foreclosure shall be just cause for eviction unless the tenant includes in his rental payment the amount of the subsidy.	defined as just cause in other places such as in the lease or terms in agreements between landlords and those entities that provide rental subsidies of various kinds. There may be situations where a subsidizing agency fails, neglects, or refuses to pay the subsidy as agreed between the subsidizing entity and the original landlord to the foreclosing owner.
'Mortgagee', an entity to whom property is mortgaged; the mortgage creditor, or lender, including, but not limited to, mortgage servicers, lenders in a mortgage agreement and any agent, servant, or employee of the mortgagee, or any successor in interest or assignee of the mortgagee's rights, interests or obligations under the mortgage agreement. 'Mortgage Servicer', an entity which administers or at any point administered the mortgage, including, but not limited to, calculating principal and interest, collecting payments from the mortgagor acting as an escrow agent, and foreclosing in the event of a default. easonable Rent', for a tenant shall be the amount paid by such tenant immediately prior to the foreclosure as demonstrated by a lease, a rental agreement or other evidence of agreed-upon rent or rental payments. Reasonable rent shall be an amount that is reasonable considering the nature and location of the property notwithstanding the tenant's ability to pay. ~~the Fair Market Rent as established by the United States Department of Housing and Urban Development pursuant to 42 U.S.C. c § 1437f(o), as it exists or may be amended, for a unit of comparable size in the area in which the housing accommodation is located or as otherwise agreed to by the parties.~~	There may be situations where rent for an extraordinary property cannot be simply determined by fair housing rates so "reasonable" should be left to the courts in the jurisdiction where the property sits.
'Tenant' any person or persons who at the time of foreclosure is entitled to occupy a housing accommodation pursuant to a written lease or tenancy at will~~, or tenancy at sufferance including a former owner occupant who held legal title to a housing accommodation immediately prior to a foreclosure of such housing accommodation and who individually or with other legal occupants remains in possession of such housing accommodation after foreclosure~~. Any person other than a legal dependent or ouse of the person or group of persons entitled to occupy the using accommodation at the time of the foreclosure who moves into the housing accommodation ~~owned by the foreclosing owner~~	There is no logical reason to provide an owner who has been foreclosed with the status of a tenant. If that is done, I can picture a foreclosed owner calling the board of health and reporting sanitary code violations that the foreclosing owner created while he was in control if the property and then the board of health ordering the foreclosing owner, now landlord, to repair the sanitary code violations. The foreclosed

~~lowing the filing of the foreclosure deed~~ after the delivery of a foreclosure notice **without the express written permission of the foreclosing owner shall not be considered a tenant under this statute**	owner will use statutes and regulations intended to protect legitimate tenants to harass the foreclosing owner and to make the foreclosure cost the foreclosing owner more than necessary. The status quo of the housing unit should remain the same after delivery of a foreclosure notice.
'Unit' or 'residential unit', the room or group of rooms within a housing accommodation which is used or intended for use as a ~~residence~~ *residential rental unit* ~~by one household~~	This follows my theme of limiting this legislation to foreclosure of rental properties.
'Use and Occupancy', Payment to the foreclosing owner by an owner occupant of a reasonable amount for staying in the premises. Payment of such amount shall not create any tenancy. Reasonable use and occupancy shall be an amount that is reasonable considering the nature and location of the property notwithstanding the former owner occupant's ability to pay.	Amounts paid by an owner occupant should not be called rent. Payment of rent in Landlord/Tenant law creates a tenancy.
Section 2. Notwithstanding any other special or general law to the contrary, the foreclosing owner shall not evict a tenant ~~or former owner occupant~~ **except for just cause.**	This follows my theme of not providing a foreclosed former owner with the status of a tenant. *A foreclosed owner has the protection created in Section 3 of this new Chapter 186A.*
Section 3. No former owner occupant or family member of such person occupying any dwelling unit, whether previously intended to be a rental unit or not shall be evicted by a foreclosing owner until three months after a foreclosure deed has been recorded at the appropriate registry of deeds. Any former owner occupant or family member of such owner occupant who remains in the property after foreclosure shall pay reasonable use and occupancy to the foreclosing owner or successor owner. Failure to pay such reasonable use and occupancy shall be reason to evict. Any former owner who leaves his personal property in the premises after foreclosure shall be deemed to be occupying the premises whether or not such person is personally occupying the premises. Any and all personal property of the former owner or family members of such owner that is not removed from the premises within thirty days of the former owner or other occupants vacating the premises shall be deemed to be abandoned.	This should provide sufficient protection and provide sufficient time for a former owner, occupant to find other accommodations and to remove his personal property from the premises. Simply stated, a former owner whose property remains in the premises should not be the responsibility of the foreclosing owner.
Section 4. Any foreclosing owner that evicts a tenant or former	This follows my theme of not providing a

ner occupant in violation of any provisions of this Act, or any ordinance or by-law adopted pursuant to this Act, shall be punished by a fine of not less than ten thousand dollars. Each eviction done in violation of this Act constitutes a separate offense	foreclosed former owner with the status of a tenant. ***A foreclosed owner has the protection created in Section 3 of this new Chapter 186A.***
The district and superior courts, and the housing courts in the Commonwealth, shall have jurisdiction over an action arising from any violation of this Act, or any ordinance, or by-law adopted pursuant to this Act, and shall have jurisdiction in equity to restrain any such violation. It shall be a defense to eviction that the foreclosing owner attempted to evict a tenant in violation of any provision of this Act, or any ordinance or by-law adopted pursuant to this Act. Section 4. This Act shall cease to have effect on December 31, 2013. SECTION 2. Section 13A of chapter 186 is hereby amended by inserting after the words "federal law" the following:-- **d the foreclosing entity or purchaser shall assume the lease and ental subsidy contract with the rental subsidy administrator.** Any person or entity providing a rental subsidy to a tenant in a foreclosed property shall pay the subsidy amount to the foreclosing owner or purchaser upon notification from the foreclosing owner or purchaser of the change in ownership as long as the tenant continues to qualify for the subsidy.	This would ensure that a foreclosing owner gets the fair and reasonable rent for the unit occupied by the tenant. It would be grossly unfair if a foreclosing owner were deprived of the fair rent simply because the subsidy vanished.