

## What happens to renters when a property is foreclosed on?

Most renters will lose their leases upon foreclosure. The rule in most states is that if the mortgage was recorded before the lease was signed, the lease will be wiped out when a foreclosure occurs. That doesn't mean a renter will have to leave immediately -- but those who remain in the rental join the ranks of month-to-month renters, all of whom can be terminated with proper notice -- usually 30 days, but 60 days in California. The new owner (usually the lender) may or may not move quickly to terminate the rental.

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