

Status of Pre-existing Tenancy

REO LEASING SOLUTIONS, LLC (R2L) through its Agent Network (R2LNet.com) of licensed real estate brokers, and/or property management firms will provide a report evaluating the Status of Preexisting Tenancy (SPT-702) to determine a course of action with regard to compliance under the provisions mandated by Federal Protecting Tenants at Foreclosure Act of 2009 (known as the ACT).

R2L will determine the Status of Preexisting Tenancy using certain documentation from the Owner, Investor, Asset Manager or one who has the legal authority to request such services on behalf of its client through a contractual relationship, copies of the supporting documents, and full contact information of the parties.

R2L will furnish a summary report which describes the Status of Pre-existing Tenancy (SPT702) of the property and/or properties according to three categories of risk associated with proceeding to foreclosure and the Client's decision regarding the obligation to honor the preexisting lease with the purported tenant:

- Low Risk: Tenancy does not meet the requirement of 702 as a Bona Fide tenancy. Client can proceed to foreclosure under the ACT.
- Moderate Risk: Meets the majority of requirements of 702 as a Bona Fide tenancy but further investigation may be called for. Some risk is associated with not honoring the terms of the pre-existing lease.
- High Risk: Appears to meet all requirements of 702 as a Bona Fide tenancy.

Caveat:

The only way to be assured of legality is to have the lease reviewed by an attorney. R2L cannot request this on your behalf but will provided a list of qualified legal counsel in that situate.

The Federal Protecting Tenants at Foreclosure Act of 2009

Tenants are protected by state and federal laws, specifically the *NEW* Federal Protecting Tenants at Foreclosure Act that was signed into effect May 20, 2009. This act gives tenants whose landlords fall into foreclosure a minimum of 90 days to legally remain in the property after the foreclosure process has concluded or to continue to occupy the property for the term of a bona fide lease subject to above-mentioned conditions, even after the property is in the hands of a new owner. This Act is a temporary response to the current foreclosure crisis sweeping the nation, and will remain in full effect until it's expiration at the end of 2012. This act **ONLY** applies to foreclosures that are concluded on or after May 20, 2009.