



TIPS TO TAKE WHEN YOUR LANDLORD GOES BUST

Ask Up Front

Landlords are never bashful about making sure you can pay the rent, but it might be time to check that they can, too. Ask your landlord to provide you with a copy of his or her credit report. (Of course, you could run the risk of losing out on the apartment, but you also might avoid some serious hassles down the road.) Another idea: Ask your landlord to hold your security deposit in an escrow account, so you can get it back in the case of a foreclosure.

Keep an Eye Out

If you suspect your landlord runs the risk of default (perhaps you haven't heard from her in a few months or simple repairs aren't getting done), there are ways to check if a foreclosure is nigh-- and thus buy yourself some crucial time in finding a new place to live. In most states, lenders inform the public, perhaps six months in advance, when a property is in danger of being foreclosed upon. The problem is that these "notices" are posted in obscure publications or even tucked in a dark corner of the building itself. Check with your state's Registry of Deeds, either online or at a local courthouse. To find out your rights, check with your state's housing agency.

Buy Time by Knowing Your Rights

In nearly all states, foreclosure invalidates a lease, leaving renters in the dust. But don't cut and run. As for the actual eviction process, the mechanics differ state to state, and you may be able to buy valuable time. Some states require a judicial process before eviction; others allow renters to collect for damages or at least stay in the dwelling for the duration of the lease. To find out your rights, check with your state's housing agency or consumer protection bureau.

Be Wary Of "Fees for Keys"

Lenders may offer you a chunk of change to get you to leave the property immediately--a practice known as "fees for keys." What they may not tell you is that once you leave, you waive your future rights. Most banks are willing to pay large sums to keep renters from going to court and winning the right to stay for several months or perhaps collecting damages for problems for which the lender is now responsible. In some states, for example, if a bank fails to pay your utility bill, you can sue for damages. Bottom line: Get ready to bargain.

Organize!

Depending on the size of your apartment complex, consider organizing a tenants' group. Vita Urbana, a Jamaica Plains, Mass., non-profit organization, for one, has had some success in helping tenants band together to bargain with banks. "Blockades [in the case of evictions] have helped to make banks start negotiating," says Maureen McDonoagh, an attorney and Harvard Law School instructor who works on residential housing cases. "There's definitely strength in numbers."