

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

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**HOUSE BILL 947  
Committee Substitute Favorable 5/17/07**

Short Title: NC Foreclosure/Landlord Tenant Laws.

(Public)

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Sponsors:

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Referred to:

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March 22, 2007

A BILL TO BE ENTITLED

1 AN ACT REQUIRING THAT A NOTICE OF SALE IN FORECLOSURE  
2 PROCEEDINGS BE SENT TO ANY TENANT RESIDING IN THE PROPERTY  
3 TO BE SOLD AND ALLOWING THE TENANT AFTER RECEIVING THE  
4 NOTICE TO TERMINATE THE RENTAL AGREEMENT UPON TEN DAYS'  
5 WRITTEN NOTICE TO THE LANDLORD.  
6

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 45-21.16A reads as rewritten:

9 **"§ 45-21.16A. Contents of notice of sale.**

10 The notice of sale shall –

- 11 (1) Describe the instrument pursuant to which the sale is held, by  
12 identifying the original mortgagors and recording data. If the record  
13 owner is different from the original mortgagors, the notice shall also  
14 list the record owner of the property, as reflected on the records of the  
15 register of deeds not more than 10 days prior to posting the notice. The  
16 notice may also reflect the owner not reflected on the records if  
17 known;
- 18 (2) Designate the date, hour and place of sale consistent with the  
19 provisions of the instrument and this Article;
- 20 (3) Describe the real property to be sold in such a manner as is reasonably  
21 calculated to inform the public as to what is being sold, which  
22 description may be in general terms and may incorporate the  
23 description as used in the instrument containing the power of sale by  
24 reference thereto. Any property described in the instrument containing  
25 the power of sale which is not being offered for sale should also be  
26 described in such a manner as to enable prospective purchasers to  
27 determine what is and what is not being offered for sale;
- 28 (4) Repealed by Session Laws 1967, c. 562, s. 2.

- 1 (5) State the terms of the sale provided for by the instrument pursuant to  
 2 which the sale is held, including the amount of the cash deposit, if any,  
 3 to be made by the highest bidder at the sale;
- 4 (6) Include any other provisions required by the instrument to be included  
 5 therein;
- 6 (7) State that the property will be sold subject to taxes and special  
 7 assessments if it is to be so sold; ~~and~~
- 8 (8) State whether the property is being sold subject to or together with any  
 9 subordinate rights or interests provided those rights and interests are  
 10 sufficiently ~~identified~~, identified;
- 11 (9) State that an order for possession of the property may be issued  
 12 pursuant to G.S. 45-21.29 in favor of the purchaser and against the  
 13 party or parties in possession by the clerk of superior court of the  
 14 county in which the property is sold; and
- 15 (10) State that any person who occupies the property pursuant to a rental  
 16 agreement may, after receiving the notice of sale, terminate the rental  
 17 agreement upon 10 days' written notice to the landlord. Upon  
 18 termination of a rental agreement, the tenant is liable for rent due  
 19 under the rental agreement prorated to the effective date of the  
 20 termination."

21 **SECTION 2.** G.S. 45-21.17(4) reads as rewritten:

- 22 "(4) The notice of sale shall be mailed by first-class mail at least 20 days  
 23 prior to the date of sale to each party entitled to notice of the hearing  
 24 provided by G.S. 45-21.16 whose address is known to the trustee or  
 25 mortgagee and in addition shall also be mailed by first-class mail to  
 26 any party desiring a copy of the notice of sale who has complied with  
 27 ~~G.S. 45-21.17A~~ G.S. 45-21.17A and, if the property is residential, to  
 28 any person who occupies the property pursuant to a residential rental  
 29 agreement by name, if known, at the address of the property to be sold.  
 30 If the name of the person who occupies the property is not known, the  
 31 notice shall be sent to "occupant" at the address of the property to be  
 32 sold. Notice of the hearing required by G.S. 45-21.16 shall be  
 33 sufficient to satisfy the requirement of notice under this section  
 34 provided such notice contains the information required by  
 35 G.S. 45-21.16A."

36 **SECTION 3.** G.S. 42-45 reads as rewritten:

37 "**§ 42-45. Early termination of rental agreement by military ~~personnel~~ personnel**  
 38 **and tenants residing in foreclosed property.**

39 ...

40 (b1) Any tenant who resides in a dwelling unit that is being sold in a foreclosure  
 41 proceeding under Article 2A of Chapter 45 of the General Statutes may terminate the  
 42 rental agreement for the dwelling unit after receiving notice pursuant to  
 43 G.S. 45-21.17(4) by providing the landlord with a written notice of termination to be  
 44 effective on a date stated in the notice that is at least 10 days after the date of the notice

1 of sale. Upon termination of a rental agreement under this section, the tenant is liable  
2 for the rent due under the rental agreement prorated to the effective date of the  
3 termination payable at the time that would have been required by the terms of the rental  
4 agreement. The tenant is not liable for any other rent or damages due only to the early  
5 termination of the tenancy."

6 **SECTION 4.** This act is effective when it becomes law.