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COUNCIL DISTRICT 13



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**FOR IMMEDIATE RELEASE**

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## **GARCETTI CALLS ON COUNTRYWIDE TO CEASE AND DESIST ILLEGAL FORECLOSURE-RELATED EVICTION PRACTICES**

Los Angeles City Council President Eric Garcetti today called on Countrywide Home Loans and its agents to cease and desist illegal foreclosure-related eviction practices.

Garcetti made the announcement in front of an Echo Park triplex foreclosed by Countrywide. Following the foreclosure, the building's tenants were pressured to vacate their apartments and offered a \$2,000 relocation fee – far lower than the \$7,000 minimum required by city law.

According to Los Angeles city laws, a change in building ownership due to foreclosure alone is not an adequate reason to evict a tenant and tenants must be notified of their rights in these situations. In the event that eviction is justified following a foreclosure, tenants are also entitled to a relocation fee in the minimum amount of \$7,000.

"This morning I sent Countrywide a letter regarding their involvement with this Echo Park triplex and demanding that they cease and desist illegal foreclosure-related eviction practices. We are watching. And we're going to make sure that they follow the laws we have in place to protect renters from fraudulent or predatory practices," said Garcetti. "We want tenants to know that they have rights – even if they live in properties that are being foreclosed."

Although most attention on the nation's foreclosure crisis has focused on homeowners, it is also significantly impacting renters. Some tenants of foreclosed properties are pressured by banks or their agents to vacate without a full understanding of their rights as renters.

"I can't believe that I've become one of those guys that I keep reading about in the newspaper. It's really frustrating and I feel like I was duped. I had no idea that this was illegal and that I had right to stay or to a minimum amount of money. In fact, I was

(more)

told I would have to be out within 30 days and didn't have the right to any money, even my security deposit. I encourage others in this situation to learn more about their rights as tenants," said Jonny Lee, who lives in the Echo Park triplex and was offered the \$2,000 relocation fee by Countrywide. "I'd like to stay in my apartment, and I'm hoping that Countrywide will reconsider this move out agreement."

This is not the first time Garcetti has been notified of illegal foreclosure-related eviction practices by Countrywide. In July, Garcetti called on Countrywide to investigate these practices after one of its agents offered tenants in a South Los Angeles duplex \$1,000 in relocation fees. Countrywide then notified the tenants and Garcetti that it was not proceeding with eviction action against the tenants and implied that further communication would comply with the city's Rent Stabilization Ordinance.

Tenants who believe they are being pressured to vacate a foreclosed property or are being offered relocation fees below the minimum \$7,000 for good faith evictions may seek advice from the Los Angeles Housing Department by calling 1-866-557-RENT.

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