

# COMMONWEALTH OF VIRGINIA

SENATOR MAMIE LOCKE, Chair  
DELEGATE JOHN COSGROVE, Vice Chair  
ELIZABETH A. PALEN, Executive Director



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## VIRGINIA HOUSING COMMISSION

### AGENDA

#### **Housing Affordability, Real Estate Law and Mortgages Work Group General Assembly Building, House Room C June 3, 2009, 10:00 A.M.**

**Members Present:** Delegate John Cosgrove, Senator Mamie Lock, Delegate Daniel Marshall, Michele Watson, Robert Bradshaw, Brian Gordon, James Naggles, Connie Chamberlin, Shea Hollifield, Steve Baugher, Alexander Macaulay, Chip Dicks, Kelly Harris-Braxton, R. Schaever Oglesby, John Jordan

- I. Welcome and Call to Order** – Delegate John A. Cosgrove, Chair
  - A. Meeting Called to order by Delegate Cosgrove at 10:07 AM
  
- II. Rental agreement; early termination by military personnel** (HB 2124; *Byron*, 2009)
  - A. Delegate Kathy J. Byron- not in attendance. Issue will not be discussed this interim.
  
- III. Landlord and tenant; notice to tenant in event of foreclosure** (HB 2129; *Nichols*, 2009)
  - A. John Murphy to HB 2129 on behalf of Delegate Nichols:
    - i. Bill was submitted because tenants were being evicted by banks when their property was being foreclosed;
    - ii. Concern was expressed with the requirement of five days notice;
    - iii. Concerns that the mortgagor and tenant do not have privity of contract and a homeowner attempting to prevent foreclosure may not want to share with his tenant that he is at risk of defaulting on his mortgage;
    - iv. Chip Dicks explained that portions of the previous bill applied to multifamily housing, and those properties generally have backing from agencies such as Fannie Mae, so the bill was edited to apply to single family homes;
    - v. Owners have an equity right of redemption up until the gavel drops, and it would be more difficult to do so if the owner cannot collect rent;
    - vi. Security deposits are also an issues, as they are often held by the owner or property manger, like a Realtor, who has an obligation to give notice to tenants and will want to help the owner prevent foreclosure or assist the new owner or bank, etc.;
    - vii. It was discussed that the Virginia Landlord Tennant Act should be examined:
      - a. Look into the self-help provisions;

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DELEGATE JOHN A. COSGROVE  
DELEGATE ROSALYN R. DANCE  
DELEGATE ROBERT D. HULL  
DELEGATE DANIEL W. MARSHALL, III  
DELEGATE G. GLENN ODER

SENATOR MAMIE E. LOCKE  
SENATOR JOHN C. WATKINS  
SENATOR MARY MARGARET WHIPPLE

F. GARY GARCZYNSKI  
T. K. SOMANATH  
MELANIE S. THOMPSON

- b. The Act does require unlawful detainer;
- c. Look into requiring lenders to use the courts.
- viii. The main issue is giving people more time;
- xiv. Connie Chamberlin pointed out that property may be more likely to be damaged while it is empty;
- x. It would be a huge switch for mortgage holders to become landlords;
- xi. James Naggles suggested that the committee look at the federal legislation, Helping Families Save Their Homes Act, passed in 2009;
- xii. It was decided this issue would need to be addressed further after looking at the federal legislation and any ideas from either the real estate or mortgage groups.

#### **IV. Adjourn**

- A. Meeting adjourned at 10:42 AM