

MEMORANDUM

TO: REF Review Attorneys

DATE: 6/4/85

FROM: Mary Sabatini DiStephan/Nancy Kramer *MSD*

RE: Interim Lessees

The Division of Housing and Community Renewal ("DHCR") takes the position that interim lessees, i.e., subscribers or purchasers who take occupancy of their units in New York City or any ETPA jurisdiction after black book but before closing, are Rent Stabilized Tenants and must be offered one or two year leases at regulated rents. The leases may contain any of the following provisions:

- (1) cross default (default under purchase agreement is a default under lease and vice-versa);
- (2) lease terminates when the conversion takes place and the unit closes;
- (3) lease is cancelled if lessee takes advantage of a right of rescission. This provision must be in the plan, too.

MSD/NK/bw