

LEASE CANCELLATION CONSIDERATIONS DURING COVID-19

A lease is a binding contract and once you sign it you are generally liable for all the lease terms, including the obligation to pay rent for the full term.

Even though many of the classes at the University of Michigan will be held remotely for the 2020/2021 term, your responsibilities pursuant to your off-campus housing lease likely will not change. There is generally no right to terminate your lease due to COVID-19 or the University's decision regarding classes.

If you have signed an off-campus housing lease for the 2020/2021 term that you wish to terminate you should consider the following:

1. **Review your lease:** While most leases do not provide for a lease cancellation, you should review your lease or talk to your landlord to determine whether or not the lease includes such a provision. Leases that do have such a clause generally require notice and payment of a cancellation fee before the lease can be terminated.
2. **Negotiate:** Even if your lease does not have a cancellation provision, you can reach out to your landlord (in writing, email or text is fine, so that you have documentation of any agreement reached) to see if your landlord is willing to negotiate with you for a lease cancellation. For example, a resolution might include payment of a portion of the rent due and possibly permitting the landlord to retain your security deposit. However, the specific terms of a termination agreement must be negotiated and agreed to by the parties.
3. **Sublease or Assign your lease:** If you are unable to terminate your lease, you can attempt to find a subtenant or a replacement tenant. You can review your lease, or talk to your landlord about the process of subletting, or assigning your lease. Most leases require the landlord's consent to sublease, and some charge a subleasing or releasing fee. To search for a new tenant you can post on the Beyond the Diag website (<https://offcampushousing.umich.edu/>)
4. **International Students:** The above steps should be considered by international students as well. However, for those students who are unable to return to this country due to limitations on visa or other entry requirements, please contact our office.

If you are unable to cancel your lease or find a replacement tenant, you are still responsible for rent due pursuant to the lease. If you fail to pay the rent due the landlord will have an obligation to mitigate their loss by trying to find a replacement tenant. However, if the landlord is unable to fully mitigate their loss, they may proceed with collection of the unpaid rent from you, or your lease guarantor if there is one, either in Court, or through a collection agency.

Please contact our office as we may be able to assist you by reviewing your lease, negotiating with your landlord, or providing further legal advice and assistance.

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