

REAL ESTATE



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Q | My landlord's lender wants me to sign an SNDA. What is an SNDA and am I required to sign it?

A | SNDA stands for subordination, non-disturbance, and attornment agreement. The purpose of an SNDA is to protect a secured lender's interests in its collateral in exchange for certain assurances given by the lender to the tenant. SNDAs include three key terms: (i) subordination of the tenant's lease to the lien of the lender's mortgage, (ii) an agreement by the lender not to terminate the lease as a result of foreclosure, and (iii) an agreement by the tenant to recognize the lender or its assign as the landlord under the lease following foreclosure. Many commercial leases require the tenant to sign an SNDA upon the request of the landlord's lender, in which case failure to sign the SNDA would be a breach of the lease.