



ASSIGNMENT OF LIEN CHECKLIST

Use this checklist if you are going to sell the Association's lien rights:

- When to consider assigning association's lien: Property is being foreclosed on by the first mortgage holder and association is not going to redeem. Often times an association will be contacted by investors if there is a sufficient amount of equity in the property.
- Negotiate sale price to include all unpaid assessments, late charges, interest, collection costs, attorney fees and costs. If there is equity in the property, the association may also be able to receive more than the total amount due.
- Get payment in cash or certified funds simultaneously with execution of assignment of lien (not after purchaser of lien redeems.)
- Assign only assessments due as of date of assignment (do not assign right to collect future assessments.) This is done by specific language in the assignment documents.
- Use only assignment forms reviewed or prepared by association's attorney. These will protect the association and should ensure that the first four items are done appropriately.
- Time is often of the essence due to redemption period. Be prepared to act quickly.*
- Continue to monitor the foreclosure through the redemption period.
- The six month super lien is generally assigned to the investor. This means that Associations may have to refer banks to the investor when the bank contacts them seeking to pay the super lien. For this reason, it is important for the Association to retain the name and contact information of the assignee of the lien.

*PLEASE NOTE: Our firm's standard fee agreement provides us with the power to assign an Association's lien without prior approval from the Association as long as we receive payment in full at a minimum. Because of the condensed timeline and other reasons stated above, we strongly recommend that Associations refer all investors interested in purchasing assessment liens directly to our office.