



THINGS TO WATCH OUT FOR ON AN AUCTION PROPERTY

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WHY TO WATCH OUT FOR THEM

The 1st Mortgage is not in Default

Any previous mortgages to the one in default will be assumed by the new purchaser and will not be cleared off the title upon the Trustees Deed being filed.

HOA Liens, Trash Liens, Sewer Liens

These types of liens carry over to the new owner, who will be responsible for paying them. HOA liens can be as much as 9 months worth of association dues, plus other collection charges.

Notice of Default on the HOA Lien

Notice of default indicates the Home Owners Association is beginning the process of foreclosure on the home. The new owner may lose the home to the association if the HOA Lien is not paid.

Certificate of Sale on the Property

Certificate of Sale indicates there are unpaid assessments from L.I.Ds and S.I.Ds on the property. These must be paid off within two years of the certificate of sale's date, otherwise the new owner will lose the property to the holder of the certificate.

Bankruptcy on the Name Search

A bankruptcy on an owner occupied property and the owner still living in the house indicates there may be a legal battle necessary to evict the occupants of the home once it is purchased at auction. Many people do not wish to go through the expense or time involved.

Federal Tax Liens under Name Search

Federal Tax liens can attach to any property owned by the tax payer. If the IRS has a recorded lien, they have the right, within 120 days of the foreclosure, to lay claim to a property.

Delinquent Property Taxes

The new owner will need to bring current all property taxes on the property.

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