

E K M A R K & E K M A R K, L.L.C.

ATTORNEYS AT LAW

In this economy, many associations are faced with the situation in which a bank forecloses upon an owner. The bad news is that this foreclosure wipes out the association's assessment lien such that the bank takes title free and clear even if the previous owner owed assessments. However, associations do not need to automatically write this off as bad debt.

The previous owner is still legally responsible for the unpaid assessments. The association may file a personal judgment against the owner. The association may do so at any time up to six years from the date of the delinquency. Thus, associations usually do not have to rush into a decision about whether or not to file suit or write off the debt. The association may want to wait and see if the financial situation for the delinquent owner or the association changes.

The information contained in this Homeowners Association Tip of the Week© is for informational purposes only and is not specific legal advice or a substitute for specific legal counsel. Readers should not act upon this information without seeking professional counsel.

If you do not want us to contact you by e-mail, you may unsubscribe from our online community by replying to this e-mail with the word "Remove" in the subject line.

6720 North Scottsdale Road, Suite 261 * Scottsdale, Arizona 85253
Telephone 480/922-9292 * Fax 480/922-9422
e-mail curtis@ekmarklaw.com
www.ekmarklaw.com