

H&H Legal

Homeowners Association Collections Timeline

Collections Timeline

The following outline represents the typical procedures and documents involved in the HOA assessment collections and foreclosure process.

Most notices are sent via First Class and Certified Mail.

Step 1: Demand / Intent to Lien Letter

This initial notice details the total balance owed by the delinquent homeowner, including assessments, late fees, accrued interest, and collection costs. Payment is typically due within 30 days unless otherwise noted in the association's governing documents. The letter also includes required state and federal disclosures.

Step 2: Notice of Assessment Lien

Triggered when no response is received to the Demand / Intent to Lien letter. The Notice of Assessment Lien secures the association's monetary interest in the property, ensures payment through escrow in most property sales, and remains valid in the event of a title transfer or bankruptcy.

After a statutory 30-day waiting period, H&H Legal may proceed with foreclosure.

Note: Most accounts are successfully resolved in Steps 1 & 2, avoiding the need for foreclosure.

Step 3: Notice of Default (Foreclosure)

First formal step in the non-judicial foreclosure process. Upon recordation of this notice:

- A statutory 90-day waiting period begins
- H&H Legal notifies all parties with recorded interest
- A title policy is obtained to ensure compliance and notice to all required entities

This step is often a catalyst for payment or settlement.

Step 4: Notice of Sale

Begins after the 90-day waiting period expires. At this stage:

- The Association must authorize the sale date
- Notice is published in a local paper for three consecutive weeks
- Notice is physically posted at the property
- Homeowner is given a final opportunity to settle the debt

Note: The Association can postpone the sale up to 3 times or cancel at any time prior.

Step 5: Foreclosure Deed

Executed only if the account is not reinstated prior to sale. Two possible outcomes:

1. The property is sold at auction. The Association is paid in full (assessments + fees).
2. The property reverts to the Association. The Association may rent or sell the property to recoup losses.

Redemption Rights: The original homeowner or the first deed of trust holder has 60 days to redeem the property from the foreclosure sale date.

For Additional Information:

Contact: H&H Legal