

Title:

How To Keep From Getting Judgment Liens

Word Count:

1032

Summary:

Judgment liens can be placed against ones home or other assets when they refuse to pay credit card bills, home improvement bills, or just about any other type of bill. All a creditor needs to do is pursue payment and if the homeowner is not able or unwilling to pay, the creditor can go to court and a judge can place a lien against the home of the person that owes the debt. While a judgment is often said to not be as serious as a tax lien, it is still something that someone sh...

Keywords:

foreclosures, real estate foreclosures, reo, liens, foreclosures investing, california foreclosures

Article Body:

Judgment liens can be placed against ones home or other assets when they refuse to pay credit card bills, home improvement bills, or just about any other type of bill. All a creditor needs to do is pursue payment and if the homeowner is not able or unwilling to pay, the creditor can go to court and a judge can place a lien against the home of the person that owes the debt. While a judgment is often said to not be as serious as a tax lien, it is still something that someone should try to avoid and do away with if they have a judgment lien placed against them. Whether it's a tax lien or a judgment lien, these things are best dealt with right away rather than ignored.

Of course, it goes without saying that if you really ant to avoid having judgment liens placed against your home that you should pay your bills. But, we've all been in a situation where we just can't afford all of the things we need to pay. If you are in this situation, there is no shame in it because every now and again things come up and our bills just seem to grow and grow. Thankfully, judgment liens will not be filed the first day you have a late bill. If you are just going through a tough period where you need a little more time than usual, you'll usually be just fine and will not even have to think twice about judgment liens. Judgment liens don't happen when you're a couple weeks late on your credit card bill or if you forget to pay the landscaper for a month or even two.

But, if you go for long periods of time without paying a bill and without responding to attempts to collect the debts you owe, you might have to deal with judgment liens. Thankfully, this won't happen without your knowledge. You will usually receive notices from the creditor that they are going to court to file liens against you so that they can receive payment for their services or products. At this point it is a good time to swallow your pride and call the creditor and try to work out a payment plan that is something you can stick to in your financial situation and is something that the creditor will be happy with. In the end, no one wants to go to court, not you, or the creditor, so if you just communicate you can usually get him or her to stop the legal action and allow you to pay him or her off as you can, as long as you actually intend to do so. Most creditors will be happy to work with you, as they'll make more money on the interest they can charge you! Also, a creditor loses money when they have to take the time to prepare their case against you for court, so they'd rather get the payments a little late than have to go through the court process.

If you receive a notice that a hearing is scheduled in the attempt to place a lien against your home for nonpayment for services or products, you should show up to the hearing. You should state your case, especially if you believe that you do not owe the creditor, or if you dispute the amount that they are charging. Creditors are often willing to forego late fees and even interest charges if you are willing to pay them off sooner rather than later. If you are not present to defend yourself, the court will assume that the debts are valid and will go ahead and place the lien against your home, so it is in your best interest to go to the hearing as the court will often order a continuance or even a dismissal if they think that the circumstances warrant it. The worst thing that can happen if you show up is that the court does order the judgment lien, the best thing that can happen is that you are given more time to pay the outstanding debts before any legal action is taken.

Judgment liens typically are not something that will affect you right away; it just means that you cannot sell your house without paying off the debt. This means that the lien placed against your home will be paid off before you see any of the proceeds from the sale. If the lien is small, perhaps this isn't a big issue for you. If the lien is larger this might be something you want to think about because it could keep you from having a large enough down payment for a new home. Judgment liens typically have an interest rate attached to them according to state statute. This means that a lien isn't just a long-term loan between friends; it means that the lean holder is compensated for not having been paid for their services or products right away. The interest on the lien can grow quickly, making the debt more and more difficult to pay off before the sale of the home.

The best thing to do is deal with your bills right off. When the collection agencies start calling, don't be afraid to talk to them. Tell them that you want to pay your bills, but that you can't afford their arrangements. While the creditor may initially balk at the idea, eventually they'll see that they can get their money from you if they do it on your terms. So, if you can't pay your bills right away, pay them as you can and let the creditor know that you are making every attempt possible to pay the bills. If you can show a judge that you have been communicating and making regular payments to the creditor you may be able to avoid a judgment lien altogether. Judgment liens are not the end of the world, but they are best avoided so pay your bills or communicate with your creditor and attempt to pay off the debt, as you are able.