



HindmanSanchez

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.
- Association is entitled to collect 6 month superlien from lender even if it assigns its lien.

HindmanSanchez P.C. Attorneys at Law • Denver & Fort Collins

5610 Ward Road., Suite 300, Arvada, Colorado 80002-1310 **Tel** 303.432.9999 **Free** 800.809.5242 **Fax** 303.432.0999 www.hindmansanchez.com