

# Getting Your Association Paid

Guide for Homeowner and Condo Associations  
To Justify Filing A Lien To Collect On Delinquent Accounts



## Who Should Read This Guide And Why

This guide is appropriate for anyone in charge or reporting to a person in charge of an association's accounting and collections, including board members, assistants to board members, and property management entities.

This guide helps these parties understand how liens work, and whether a filing is right for your association's circumstances.

## When The Lien Remedy Is Available To An Association

Every state has statutes providing associations to file a lien against a property or unit owner who owes the association money. Most state laws allow a lien filing for one or all of the following types of debts: (i) unpaid dues; (ii) unpaid assessments; (iii) unpaid interest, penalties or fines. [Consult your state's specific law to determine what is allowed.](#)

If your association is owed money from a property or unit owner, than your association likely has a right to file a lien for this debt.

## Why Your Association Should File A Lien To Collect A Debt

Condominium and HOA (Homeowner Association) liens are powerful tools for boards to make sure dues and assessments get paid.

These liens encumber the property to prevent it from being sold, refinanced or transferred without full satisfaction of the lien. This includes short sales.

Further, besides encumbering the property, a condo or HOA lien may usually be foreclosed either judicially or through a trustee's sale.

This means the association can sell the unit or property to satisfy the debt. Obviously, this threat and right provides the property owner with a strong incentive to pay the assessment. If he does not, not only does he risk losing his property, but his overall debt could increase because most states allow the costs of collection, attorney's fees, interest, and late charges to be added to the lien total.

"A board's most potent weapon is a lien, filed against a delinquent property."



Also, in some states, a condominium or HOA assessment lien may even have priority over a first mortgage. That means that if the lien is foreclosed and the property sold – the association gets paid even before the bank that loaned the money to buy the property in the first place. That's good security.

## Liens Provide Maximum Return on Minimum Expense

There are basically two options for an association to recover past-due assessments: 1) File a lawsuit; or 2) File a lien.

While a lawsuit may be necessary at some point – it may not be.

Why spend a bunch of money paying lawyers, and spend a bunch of time waiting for anything to get accomplished? To be honest, unless you have several years of unpaid assessments (and the assessments are large) it is probably not worth it to file a lawsuit as your first step. The cost of hiring a lawyer to prepare and litigate your suit is probably more than the amount owed – and what happens if you lose?

Filing a lien through Zlien, however, provides the security of attaching the debt to the property itself.

If the lien itself does not provide the necessary impetus to encourage the delinquent property owner to pay, the lien can be foreclosed, and the property sold to satisfy the debt.

And, unlike mechanic's liens, the foreclosure of an assessment lien is not always required to be judicial. That means that the association may be able to file a lien, foreclose on the lien, and sell the property – all without hiring a lawyer.

If you do opt to hire a lawyer (or judicial foreclosure is mandated by your state), don't worry, most states allow for the recovery of attorney's fees in a successful lien foreclosure action. Plus, even if you want to file a lawsuit – filing a lawsuit to foreclose a lien is a much better option than just filing a lawsuit against the delinquent property owner personally, because the property secures the obligation to pay (if the property owner is not paying assessments, he might not have the money to pay a judgment against him personally, either).

*So, by filing an assessment lien, you not only put pressure on the delinquent owner to pay now – you get benefits down the line.*

## Why You Should Use Zlien

Sure, you can file an assessment lien yourself, but Zlien takes all the hard work out of it. Do you know what the form should look like? When and where the lien must be filed or recorded? When and how to provide notice to the owner that a lien was filed on the property? How long you need to wait between the time you give notice and the time you file a lien? Whether notice is required at all? And so on?

Zlien's platform does.

Zlien takes care of the whole process. You just order a document, input your info, and Zlien takes care of the rest, including paying for all the fees (courier, service, recording, postage, etc.), and preparing your document. It's hassle free.

Zlien files condominium and HOA assessment liens for a low flat fee of \$295. And notices for even less. There are no hidden fees or memberships to confuse our pricing. Zlien is the leading lien filing service in the United States, trusted by thousands across the country.

