

Our email to legislators:

We understand the legislature is out of session but we also know lobbying legislators to sponsor Bills is a year round process. This request helps business and home owners:

The abusive and not uncommon practice of HOA's foreclosing on properties for pennies on the dollar to the detriment of home owners and financial institutions needs legislative attention. Too often HOA's foreclose on a property and questionably but legally sell the home to speculators, investors, and sometimes privileged parties for next to nothing to gain payment of HOA debt. The acquiring party can gain title free of any obligation to the mortgage company. The purchaser pays off all liens and other obligations encumbered on the property and can then proceed to sell the home for fair market value with extreme profits. The home owner, as a result of the extremely low sales price and no proceeds to the mortgage company, gets no reduction in the mortgage debt from sales proceeds.

Nevada has recently addressed this problem with legislation. Basically, when an HOA sells, for example, a \$400,000 home for \$25,000, the mortgage company will have a 60 day period to intervene and pay off all previous liens, reimburse the purchaser of the property for the sales price plus identified costs incurred. Thus the practice of foreclosing/selling HOA homes for pennies on the dollar will be mitigated.

Colorado with its' HOA super lien law allows for and promotes this practice. HOA legislative reform similar to the Nevada law would address this abusive practice. Your consideration in sponsoring legislation similar to that in Nevada is appreciated.