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Assessment Liens and Foreclosure in Common Interest Developments

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An owner's association in a common interest development must be able to "tax" or assess its members in order to obtain the revenue necessary to carry out its functions. These functions usually are integral to the value and utility of an owner's subdivision interest, and may include the provision of security and the maintenance and repair of common area. The only source of revenue an association has to perform these functions is the levying of assessments and the timely payment of these assessments by the owners.

An association therefore requires some effective means of compelling prompt and voluntary payment by all owners in the subdivision. Traditionally, this has been the threat of a recorded assessment lien and non-judicial foreclosure against delinquent or recalcitrant owners under the Davis-Stirling Common Interest Development Act.

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