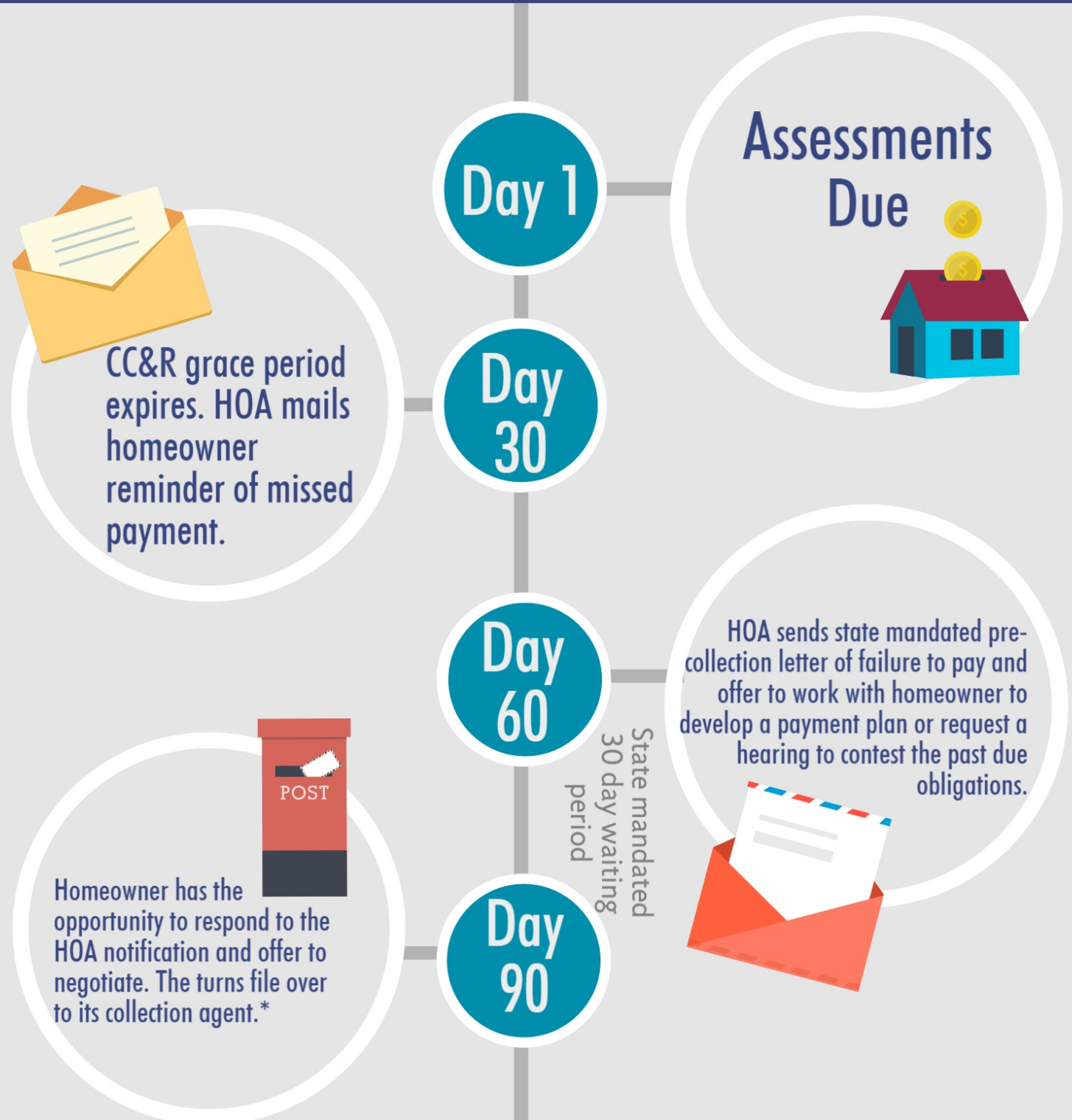


What Happens in Community Associations When Homeowners Stop Paying Their Assessments

When assessments are not paid, it threatens the viability of the community itself, forcing down property values within and around the community. Associations rely on lien priority as an effective means to recover delinquent assessments to achieve financial stability.

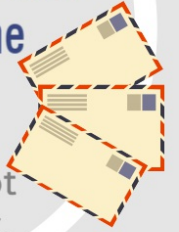


*As required by law (NRS113.3116(6))

Day 120

Collection Agent* notifies homeowner of delinquency and offers to work with the homeowner.

Homeowner continues to not respond or pay.



Record notice of delinquent assessment

Day 150

State mandated 30 day waiting period

Day 180

Record notice of default

and provide notice to first deed of trust lender and other lien holders giving lien holders the opportunity to protect their investment.

State mandated 90 day waiting period

Day 270

Record notice of sale

and provide notice to first mortgagee and other lien holders.



Day 300

State mandated 60 day right of redemption

Foreclosure sale

if lender has ignored the notices of the lien, first deed of trust is extinguished unless lender redeems property. If lender has paid the super priority lien, home is sold subject to first deed of trust.



Day 360

Foreclosure sale is final.

New homeowner joins community and agrees to pay assessments.



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*As required by law (NRS113.3116(6))