

## Foreclosure Timeline

*The following outline represents typical procedures and documents, which are a part of the foreclosure timeline. Most documents are sent First Class and certified mail.*

### **Step 1:**

#### Demand Letter

This letter outlines the total amount owned by the delinquent homeowner which includes assessments, late fees, interest and collection costs. Full payment is usually due within ten days unless otherwise specified by the Association. The letter also provides disclosure as required by state and federal law.

### **Step 2:**

#### Notice of Assessment Lien

*“There is no response to the demand letter”*

This document secures the Association’s monetary interest and often protects its interest if the delinquent homeowner transfers title to a third party or files for bankruptcy. The notice of assessment lien puts the world on notice. The lien also ensures, in most cases, that the total amount owed to the Association will be paid as the property enters into escrow and is sold. After a thirty-day statutory waiting period, NAS begins non-judicial foreclosure proceedings.

**Note:** NAS often avoids the actual commencement of a foreclosure preceding though the successful collection process of Steps 1 & 2.

### **Step 3:**

#### Notice of Default- Foreclosure

*“The first step in the foreclosure process”*

A statutory ninety-day waiting period begins upon recordation of the Notice of Default. NAS sends out special mailings to ALL parties having interest in the property. A “Title Policy” is obtained to assure NAS has contacted all individuals and/or entities that are legally required to receive notice. The “Title Policy” lists all encumbrances recorded against the property while caring with it certain liability.

**Step 4:**

Notice of Sale

*“After the 90 day waiting period”*

The Notice of Default waiting period has expired. NAS contacts the Association to obtain authorization to set a foreclosure sale. The foreclosure notice is published in a local newspaper for three consecutive weeks setting the sale thereafter. The foreclosure notice is also posted at the property. This powerful step often convinces a non-responsive delinquent homeowner to contact NAS and arrange for payment.

**Note:** An Association always has the ability to postpone or cancel the foreclosure sale prior to the sale.

**Step 5:**

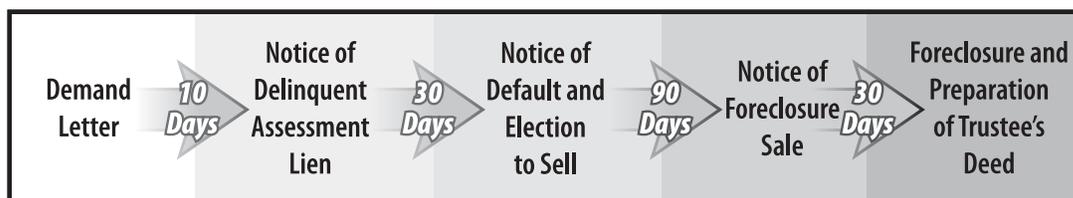
Foreclosure Deed

*“The Homeowner does not reinstate the account”*

If the property is foreclosed upon, there are two possible outcomes:

1. The property is sold to a third party at auction. From this, the Association is awarded the delinquent assessments and the collection fees are paid. The new owner is then responsible for the current assessments.
2. If a third party does not purchase the property at auction it automatically reverts back to the Association. The Association may recoup the delinquent amount and collection costs by renting or placing the property on the market for sale. Each foreclosure is different. NAS advises the Association on the best course of action to take, case by case.

**Note:** The Association may deed the property back to the delinquent owner if a resolution is reached after the sale takes place.



*Estimated timeline—subject to change and adjustments.*

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