

# L&J QUICK FACTS

## ASSOCIATION FORECLOSURES

### THE BASICS

The Georgia Condominium Act (GCA) and the Georgia Property Owners' Association Act (POA) give condominium associations and those associations subject to the POA the right to judicially foreclose on their liens for unpaid assessments and other charges.

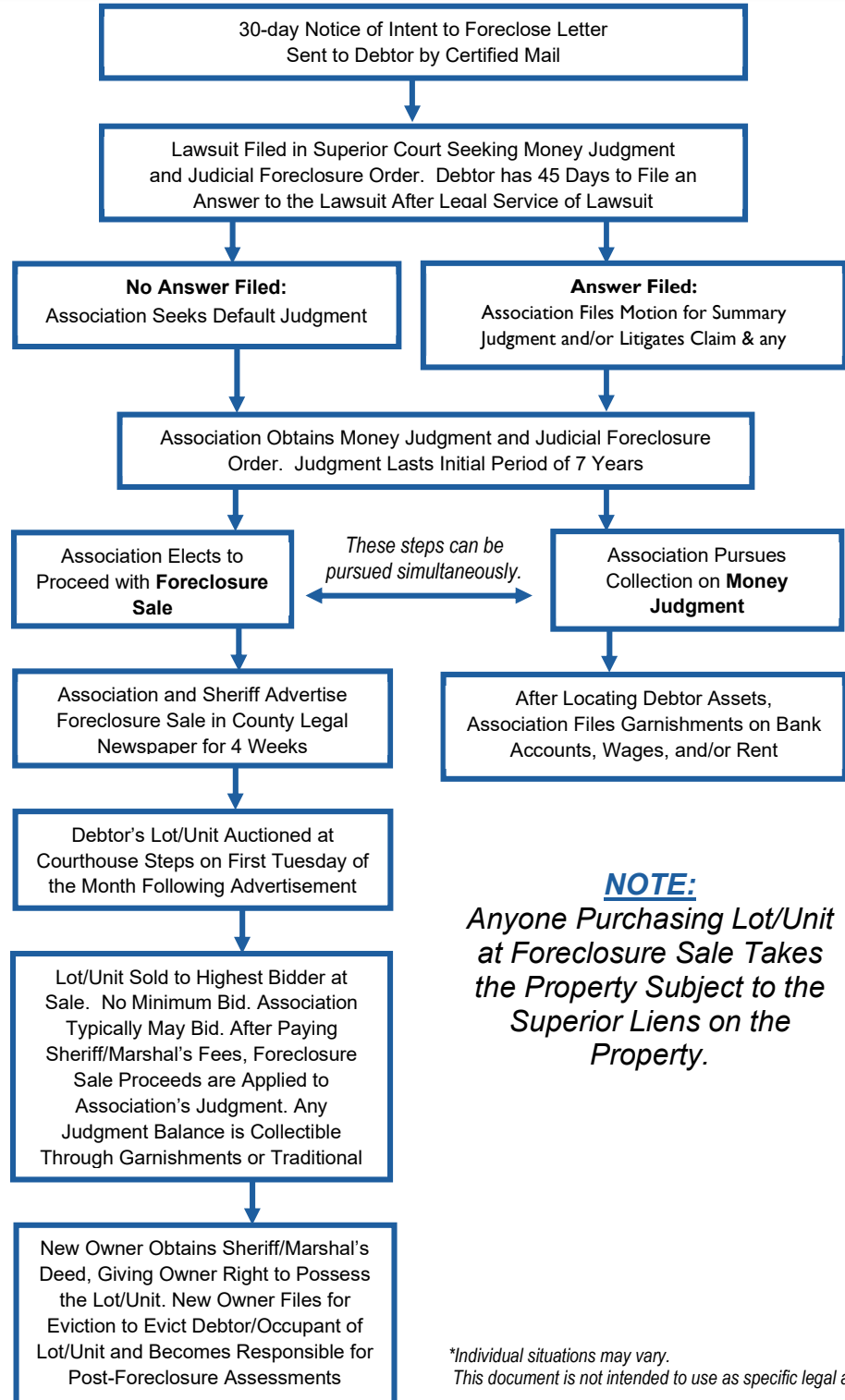
The amount owed by a debtor must be at least \$2,000 in assessments, charges, and costs, including reasonable attorneys' fees actually incurred, before an association can foreclose.

Association foreclosures under the GCA or the POA are subject to superior liens on the property. Superior liens, typically being property tax liens and first mortgage liens, remain on the property after foreclosure by the association, and the superior lien holder retains the right to foreclose on its lien.

Seeking or obtaining a Judicial Foreclosure Order can be useful in getting otherwise nonresponsive debtors to negotiate a payment plan or settlement.

In some cases, seeking or obtaining a Judicial Foreclosure Order can speed up a foreclosure by the first mortgage holder, ultimately resulting in a quicker sale of the property to a dues paying member.

Foreclosure can be an effective collection strategy by allowing an association to cut its losses and to remove delinquent owners who have gone years without paying.



**NOTE:**  
*Anyone Purchasing Lot/Unit at Foreclosure Sale Takes the Property Subject to the Superior Liens on the Property.*

*\*Individual situations may vary.  
This document is not intended to use as specific legal advice.*