



S.B.S. LIEN SERVICES

DEFAULT DIGEST

Issue 2 News, updates and happenings from S.B.S. Lien Services Spring 2013

EDITORS LETTER

Happy Spring Everyone!

Spring is definitely my favorite time of year. The sun goes down later, the days and nights are beautiful and the start of baseball season is just around the corner (Go Angels!).

With spring time comes our first annual "Cocktails & Collections" event. **Cocktails and Collections will be a FREE evening event that will feature food, drinks and an educational forum presented by Mitch Willet, the President and Owner of S.B.S.** Everyone in attendance will learn about the HOA collection process and the latest happenings in the assessment collection world.



There will be regional events so that EVERYONE can attend. You should have received an online survey that enables us to get your feedback as to what location best suits you. Please complete the survey and send it back as soon as possible. If you have not received the survey, please click [HERE](#) to complete it. Also please forward the survey to your Board Members and Associates as everyone is welcome to attend! Once we receive feedback, we will send out the invites to the events.

Please do not hesitate to call me at 818-991-4600 x211 or email me at jkennick@liencollections.com with any questions about the events.

We look forward to sharing Cocktails & Collections with you!

Jennifer Kennick

Senior Vice President

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- Cocktails & Collections FREE Events
- Homeowner Bill of Rights (HBOR) - Don't let it affect the HOA's right to collect their debt!
- Meet AlisherSabirov
- What You Need to Know About Bankruptcy



AN UPDATE FROM THE PRESIDENT: MITCH WILLET

Homeowner Bill of Rights (HBOR) -

Don't let it affect the HOA's right to collect their debt!



As we approach the end of the 1st quarter, we here at SBS are reviewing the impact HBOR has had on the mortgage and housing industry. The new legislation was implemented 1/1/2013, replaced existing statutes and added additional restrictions and requirements of Lenders, Loan Servicers, Banks and other financial institutions. HBOR does not have a direct impact on the HOA industry however, we have already started to observe the indirect impact this new legislation will have on an HOA's delinquent assessment collection strategy.

The biggest impact HBOR will have on Lenders servicing these loans is the requirement to formally review a loan modification request from their borrower. The Lender must provide a written outline, or other format, as to what is required of the borrower to be considered for a loan modification. Statute states the borrower must be afforded a reasonable amount of time to provide said documentation to their lender but does not define what a reasonable amount of time is. (Industry is implementing a 30-60 day response period). The Lender cannot proceed with the next step of their foreclosure action until the modification process has been formally terminated, in writing, by the lender stating to the borrower why they did not qualify for a loan modification.

We have all noticed the trend wherein the Lenders in the last 24 months have taken much longer to complete their foreclosure actions. This new legislation is going to increase this trend as demonstrated above because the Lenders are now required to participate in a modification request and stop all foreclosure action until that conversation has been completed.

S.B.S. Lien Services suggestion to the HOA industry:

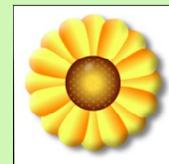
Proceed with your collection action as swiftly as possible until the Homeowner provides a resolution. S.B.S. does not recommend placing a collection action on hold due to a Senior Lender foreclosure action. We, as an industry, will continue to see Lender foreclosures take up to 24 months (or more) to complete. In addition, we do anticipate a number of modifications completed. The HOA is going to be much more successful in collecting delinquencies if the HOA has a lien of record when the Lender checks title for loan modification purposes. The Lender is going to require the lien be released in the modification process for clear title purposes. This will require the delinquent assessment debt be paid.

Mitch Willet

President & Owner

SPRING FACTS: DID YOU KNOW...

- The reason that there's more daylight during spring is that the earth's axis tilts towards the sun at this time of year.
- We've all heard the term 'vernal equinox'. Vernal means 'spring' and equinox means 'equal night'. Both words are from Latin. Despite the term, the day when there are 12 equal hours of daylight and darkness usually happens before the first day of spring.



MEET ALISHER SABIROV...

If you haven't received a mailer announcing my joining S.B.S. Lien Services then I would like to take advantage of this opportunity and toot my own horn: I am now a member of the S.B.S. Lien Services (S.B.S.) Team, as the HOA Marketing Director!!

After working hard for over 6 years as an account manager for an HOA lien collection company and learning all ins and outs of the collection process, I decided that it was time to move on and share my experience and knowledge with you in another capacity. As I embark upon my new professional adventure as the HOA Marketing Director, I aim to share my experience and provide knowledge about collecting delinquent assessments on behalf of the HOA, the Board of Directors and Management Companies all across the state of California.



S.B.S. EVENTS:

Friday, April 12, 2013
CAI BayCen Luncheon



Thursday, April 25, 2013
CAI GRIE Mini Tradeshow

Friday, April 26, 2013
Merit Inland Empire Vendor Fair

Tuesday, April 30, 2013
CAI CIC Marketplace

Some of you have started your career as assistants and have grown to become Community Association Managers. At some point some of you decided to sail on your own as entrepreneurs and became the owners of successful businesses. Each one of you has a story behind, a story worth of living, sharing and moving forward. I would like to be a part of your story and share my knowledge and expertise with you and your clients.

S.B.S. Lien Services became my new home and I could not have asked for more. Here I have found a team of experienced professionals ready to help at any given time. Being the HOA Marketing Director for S.B.S. opens so many doors and gives me such a unique and exciting opportunity to meet different people working in the community management industry all over California.

Here at S.B.S., I have been conducting lunch & learns, attending CAI and CACM events, trade shows and board meetings which has allowed me the opportunity to assist managers and board members with collections, provide updates on new laws affecting the collection process and homeowners associations and provide updates on the most recent trends in the collection industry.

If you and your clients are interested in a lunch and learn and/or interested in me attending a board meeting at **NO CHARGE** to the HOA, feel free to email me at asabirov@liencollections.com. Also, if you would like to know a little more about me, you can find my bio by clicking this link: <http://www.liencollections.com/index.php/about-us/about-us>.

Please feel free to contact me if you have any questions at **818-991-4600 or 323-356-6889**.

I look forward to talking with you soon.

Alisher Sabirov

HOA Marketing Director

FROM ALICIA DAVIS, OUR LEGAL SUPERVISOR...

Bankruptcy:

Don't look at it as the end, but a delay to the beginning of being paid.



A bankruptcy is filed to give the debtor some breathing room to get back on its feet. While the debtor is in the bankruptcy it is consolidating the debt and either discharging the unsecured debt or implementing a plan to pay its creditors. The HOA would be one of the Creditors in the bankruptcy, either secured or unsecured. The one thing an HOA wants to be and that is a secured creditor. To do that the HOA must have recorded a lien prior to the bankruptcy filing. Once a secured creditor, the debt can survive a bankruptcy.

Chapter 7 bankruptcy allows the debtor to discharge all of its unsecured debt and to be relieved of its personal responsibility to its debts. In this type of bankruptcy if the HOA is a secured creditor, it can wait for the bankruptcy to be closed and move forward with its creditor rights.

Chapter 13 bankruptcy allows the debtor to retain his property and it will have a payment plan through the bankruptcy court to pay off the pre-petition debt. The bankruptcy can last for 3 to 5 years. In this type of bankruptcy, the HOA files a Proof of Claim for the pre-petition arrears as of the date the bankruptcy was filed. If the debtor's plan is approved, the HOA is paid the pre-petition arrears during the course of the plan and the debtor is to stay current on his post-petition assessments. In this scenario, the HOA can be made whole.

The more infrequent bankruptcies are: Chapter 9, for municipalities; Chapter 12, for farmers and fishermen; and Chapter 11, for operating businesses.

The thing for an HOA to remember is to be a secured creditor. Record the lien when the homeowner is delinquent and protect the HOA's interest so that there is no end to collecting the debt.

Alicia Davis

Legal Supervisor

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SERVICES

S.B.S. Lien Services has been in business for over 30 years and incorporated in California since 1978. S.B.S. provides collection services throughout the state of California for Property Management Companies and Homeowners Associations.

We specialize in the following:

*Pre Lien Collections, Lien Services, Non-Judicial Foreclosure Process, Bankruptcy, Free Monthly Status Reports, Evictions, Senior Lien Tracking, Payment Plan, Preparation and Monitoring - all at **NO COST TO THE HOA.***

*The services below are provided at **NO ADDITIONAL CHARGE** to the **HOA**:*

Bankruptcy Information, Vesting Verification, Senior Notice of Default/Notice of Sale Monitoring

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Try it FREE today.