TYPES OF REAL PROPERTY LIENS

AND WHAT YOU NEED TO KNOW

VOLUNTARY VS. INVOLUNTARY LIENS:

VOLUNTARY

A voluntary lien is one put on the property by the owner voluntarily, such as a mortgage or deed of trust. This is a lien typically given to a bank or other lender as security for a loan to the borrower. In the event the loan isn't repaid, the lender can foreclose on the property and sell it either through a judicial foreclosure action, or more commonly through a non-judicial trustee's sale. If the amount the lender receives from the sale is not sufficient to satisfy the loan in full, the borrower may be personally liable for the difference, depending on the jurisdiction in which the property is located, the type of loan involved and whether the foreclosure was done judicially or through a trustee's sale.

INVOLUNTARY

In contrast, an involuntary lien is placed on the property by a third party without the consent of the owner. Examples of involuntary liens include judgment liens and property tax liens. If the obligation isn't paid, the lien can be enforced through a sale of the property. In the case of tax liens, many jurisdictions will allow the unpaid taxes to go "delinquent" for a certain period of time, during which the owner can redeem the property by paying the amount of the unpaid taxes plus interest and penalties. If the unpaid amounts aren't satisfied within the redemption period, the property can be sold by the taxing authority.

EXAMPLES OF VOLUNTARY LIENS:

HOME EQUITY LOAN

MORTGAGE LIEN

EXAMPLES OF INVOLUNTARY LIENS:

PROPERTY TAX LIENS

IRS LIENS

CHILD SUPPORT LIENS

MECHANICS OR MATERIALMAN'S LIENS

FAMILY LAW REAL PROPERTY LIENS

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