Buying Tax Sale Certificates/Deeds

BUYER’S CHECKLIST

Buying Tax Sale Certificates/Deeds
The sale of an asset after a period of nonpayment of taxes by its owner.

The simple four-step checklist below provides recommendations that will get you started if you are interested in purchasing a tax sale certificate:

- Visit [www.foreclosure.com](http://www.foreclosure.com) and search our comprehensive database of tax defaulted properties. Find property details as well as owner/contact information.

- Learn the procedures to participate in a tax certificate sale, including bidding, by attending a few sales to examine the process before engaging in one yourself.

- Identify a title agent or attorney who is familiar with purchasing tax sale certificates, and work with him or her to run a title search on the property in which you are interested.

- Review the title report with a title agent or attorney to determine the redemption period associated with the specific certificate relative to the governing county or state. Also, identify any possible red flags attached to the property or owner such as bankruptcies or incorrect property assessments.

*Once you have gathered and reviewed this information, and you are satisfied to the point that you would like to continue pursuing the transaction, we recommend that you do a little more homework to ensure that you make a sound purchase.*
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Real Estate Taxes

Even though you may be the successful bidder at a tax sale certificate auction, you may be responsible for having to pay any outstanding real estate taxes associated with the property, which could very well be more than your bid. Contact the local tax collector/assessor to get answers to the following questions:

- What is the total amount of the delinquent taxes owed on the property? $____________
- Have the delinquent taxes already been sold at a tax sale? Yes □ No □
  If yes, $____________
- What is the interest rate of the tax sale certificate? _____________%

Municipal Assessments and Utilities

Similar to real estate taxes, you could be responsible for municipal assessments and utilities on a tax sale certificate for which you are the successful bidder if they have not been paid. Or, in some cases, you may need to also pay for and contribute to sewer system hookups or other improvements. Contact the local municipal utilities/services department and get answers to the following questions:

- Are there any unpaid assessments? Yes □ No □ If yes, $____________
- Are there any pending assessments? Yes □ No □ If yes, $____________
- Are there any unpaid water and sewer charges? Yes □ No □ If yes, $____________

Environmental Issues

Contact the local health department and get answers to the following questions:

- Are there underground storage tanks (heating oil) on the property? Yes □ No □
- Is the property near a potentially contaminated site such as a gas station or dry cleaner? Yes □ No □
- Is radon present in the area? Yes □ No □
- Is lead-based paint prevalent in the area? Yes □ No □
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Zoning

Contact the local zoning or building official and get an answer to the following question:

- What is the current zoning designation of the property? ________________

☐ Request a letter from the zoning department that details how the property is zoned

Flood Zone

Visit the FEMA Web site — www.fema.gov/business/nfip — or contact your title agent to get an answer to the following question:

- Is the property in a flood zone? Yes ☐ No ☐

Wetlands

Contact the local building inspector and get an answer to the following question:

- Are wetlands present on the property? Yes ☐ No ☐

Historic Property

Contact the local zoning or building official, or possibly the local historic preservation society, to get an answer to the following question:

- Is the property historic? Yes ☐ No ☐

Riparian Rights

Visit The U.S. Army Corps of Engineers Web site — www.usace.army.mil — and get answers to the following questions:

- Are there riparian rights associated with the property? Yes ☐ No ☐

- Are there docks, marinas or bulkheads associated with the property? Yes ☐ No ☐