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In [*Summerhill Village Homeowners Association v. Roughly and JP Morgan Chase Bank*](http://www.courts.wa.gov/opinions/?fa=opinions.disp&filename=664557MAJ), the Washington State Court of Appeals upheld a foreclosure sale of a condominium unit based on the homeowner's failure to pay Homeowner's Association ("HOA") assessments over the claims of the first lien lender's mortgage lien. By statute, a condominium association or HOA has a "super" priority lien over all other liens where the homeowner failed to pay HOA assessments for six months.  In most cases, when a lender is notified of a foreclosure for the unpaid HOA assessments, the lender pays the six months of past assessments (the super-lien amount) and preserves its position as the first lien holder.  In this case, the lender's lien was recorded in 2006 but the delinquent assessments did not accrue until 2008.  Yet, the six months of unpaid HOA assessments in 2008 had a super priority over the 2006 mortgage lender.

In this case, the lender, after being notified of the pending foreclosure by the homeowner's association, failed to pay the six months of past HOA assessments.  Consequently, the HOA foreclosed and the unit was sold at auction to a third party for $10,302.00.  After the sale, the lender attempted to invoke redemption rights, which allow certain persons or entities (including junior lien holders who acquired a lien "subsequent in time" to the foreclosing lien) to redeem the property by payment to the successful bidder of that bidder's costs.  However, the appellate Court held that since the lender's deed of trust was recorded in 2006, it was not "*subsequent* in time" to the super priority lien that arose in 2008.  Thus, the Court denied the lender the right to redeem the property and ruled that its interest had been extinguished at the Sheriff's sale. The court stated that "[w]e will not rewrite the redemption statute because a lienholder's lack of diligence had unexpected consequences."

The lesson in this case is that the first position lien holder can lose its rights to a foreclosing HOA for lack of diligence–failing to pay the mere six months of past HOA assessments.