

Blanket Receivership Programs May Be a Beautiful Thing for Associations

By Daniel Vasquez

As I reported months ago in my column, a little thing called “blanket receiverships” is catching fire as a legal strategy for community associations to fight back against investors who own units or homes, collect rent from tenants but refuse to pay maintenance fees.

That means the investor, often already in the foreclosure process, is banking that he or she can collect rent and pocket it for as long as possible before the “system” catches up and takes back the property and evicts the tenants. In the meantime, other unit owners have to pick up the slack for the revenue loss and often pay special

assessments on top of regular assessments.

Now the courts are providing associations more power to siphon those rents from the investor and send them back to the association to pay off the investor’s delinquencies.

While a number of county court judges have signed these filings, an Appellate Court recently upheld the practice, making it virtually as solid as law.

Up until now, associations had to file separate court actions for every deadbeat investor and each unit in dispute, costing the association thousands of dollars (not to mention lots of time) per

filing.

Not anymore. Credit the Association Law Group (of South Florida) for its innovative interpretation of Florida receivership laws involving associations.

The law group realized the statutes did not require receivership programs to be carried out only one at a time, so they came up with the “blanket” idea. That means an association may file once with the court to have a receiver appointed who can collect rents from all owners (not just one) who have renters and are collecting rent but not paying maintenance fees. It was another great idea waiting to be born.



Association Law Group