

Not Paying Property Taxes Can Lead to Loss of Home

By Bernard A. Krooks | 11/01/07

Even if you have paid off your mortgage, you still have to keep on top of property taxes. As property taxes rise, this can be difficult, but falling behind on payments can have serious consequences. In addition to racking up penalties and fines, missing a property tax payment can cause you to lose your home.

If a homeowner doesn't pay his or her property taxes, the government will put a tax lien on the property. The government may then sell the lien to an investor who is entitled to collect the debt along with penalties and interest. If the homeowner can't or won't pay up, the investor can foreclose on the house and then sell it for a large profit. In a booming housing market, this type of investment can be very popular. Unfortunately, low-income elderly individuals are often the victims in these investment schemes. It doesn't matter how small the tax bill is; the government can get a lien on even the smallest tax bill.

Keep an eye out for property tax bills and pay them on time. If you don't remember ever receiving a property tax bill, you should check with the county to make sure you don't owe any taxes. If you can't afford to pay property taxes, many states have programs to help elderly homeowners with payments. You may be able to pay in installments or defer payments until you sell the house.

If you receive a tax lien notice or notice of foreclosure, contact an attorney immediately