

REAL ESTATE LAW



Get Your Share of Surplus Funds Remaining After a Foreclosure Sale

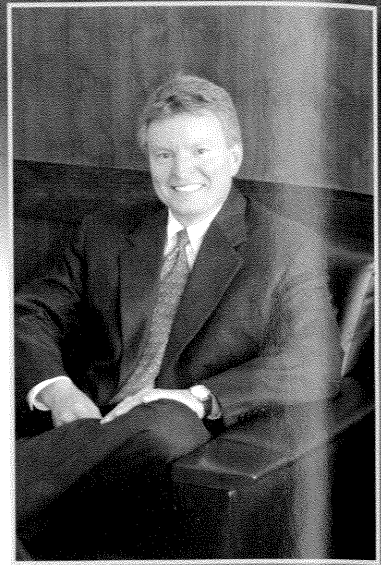
Foreclosure actions are routinely filed by banks against homes if the borrower defaults in payment. Homeowners can also be subject to foreclosure actions for failure to pay homeowner's association dues, assessments or mechanics liens.

As a result of the foreclosure process a sale is scheduled wherein the property is auctioned by the Clerk of the Court. If the bidding is zealous the property may sell for an amount far exceeding the judgment. The extra monies are retained by the court and designated as "surplus funds".

A new Florida statute has been enacted dealing with surplus funds. The new law establishes a 60 day deadline to make a claim after the foreclosure sale is completed.

In the event that you are holding a subordinate interest in property and the bidding exceeds the value of the superior lien, mortgage or interest, you must make a claim within 60 days of the sale otherwise your rights in the surplus funds can be extinguished.

Accordingly, if you are named as a party in a foreclosure action you should carefully monitor the sale and if surplus funds are generated you must act quickly to make a claim.



By: Houston Short

