# Iowa HOA Collection and Foreclosure Laws

*An overview of collection laws, lien priority, and the foreclosure process for Homeowner Associations in Iowa*

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# Legal Framework

- HOA lien and collection rights come from state law and governing documents.
- Liens may cover unpaid assessments, late fees, and legal costs.
- What do YOUR bylaws say?

# HOA Lien Rights in Iowa

- Unpaid assessments allow HOAs to record a lien on property.
- Liens secure assessments, fees, and interest.
- Mortgages and taxes take priority.
- HOA liens can be wiped out in mortgage foreclosures.

# Collection Process Overview

- 1. Assessment becomes delinquent.
- 2. HOA sends notice and demand for payment.
- 3. Late fees and interest may apply. What does the Court think?
- 4. HOA records a lien in county records.
- 5. HOA may sue for debt or foreclose judicially.
  - Small Claims v. District Court
  - Rights after judgment of HOA

# Judicial Foreclosure Process

- Iowa requires judicial foreclosure — all cases go through court.
- 1. HOA files petition in district court.
- 2. Homeowner is served and may respond.
- 3. Court issues judgment and orders sale.
- 4. Sheriff conducts public auction.
- 5. Proceeds pay liens by priority.
- 6. Buyer gets Sheriff's Deed after redemption period.

# Priority of Liens in Foreclosure

- • Payment order:
- 1. Property taxes
- 2. Mortgage or senior lien
- 3. HOA lien (if funds remain)
- • Junior liens may be wiped out.

# Sheriff's Sale & Redemption

- Sheriff advertises and holds public auction.
- Highest bidder pays sheriff; proceeds pay liens.
- Homeowner may redeem within 1 year by paying judgment.
- If not redeemed, buyer receives Sheriff's Deed.

# HOA Enforcement Options

- Before foreclosure, HOAs can:
- – Offer payment plans
- – Use small claims or collections
- Judicial foreclosure is a last resort.
- Always follow notice and procedure in governing documents.

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*Questions?*

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