

# 5 Ways To Resolve Delinquent Property Taxes

(even if you don't have a penny in savings)

Provided By: Your Name & Company Info  
contact info here - email & phone

## How The Property Tax System Works

Most counties charge you a default interest rate. It varies, but averages around 18%.

Most counties will auction off the right to collect on that tax bill. They issue a tax lien certificate to the winning bidder.

The good news is people bid **DOWNWARD**. The certificate is sold to the person who bids down to the lowest interest rate. This is great news for you.

In some cases, the interest rate bids fall as low as 1 - 5%. Every state has different rules and laws regarding rates.

For example, in Florida, the lowest bidder is awarded a 5% interest rate, even if they bid 1%. Simply put, Florida guarantees a minimum 5% interest to all bidders.

This is a good opportunity for someone who has no credit and cannot obtain a loan for a reasonable interest rate.

If your only option for a loan would carry an interest rate of 18-20%, it may be preferable to pay 5% interest on the tax lien certificate versus the 18% interest charged on a standard loan.

## Know Your Numbers Before Making a Decision

Before doing anything, you need to know how bad the problem is. You can't make an informed decision without knowing your options!

**First**, contact your local tax collector and request a payoff amount.

**Second**, ask the tax collector's office when a tax auction could be scheduled. After all, it's far better to know about the tax auction ahead of time, than to have it take you by surprise.

**Next**, find out from the tax collector's office what interest rate you are currently paying on past due taxes. In some cases, you may be paying a very low interest rate.

Again, this is because the certificate is auctioned off, with the winner being the person who is willing to accept the lowest interest rate. Rates can be auctioned as low as 5%, and in some cases even less.

**Finally**, be sure you know of any other fees and costs you will have to pay if you do not pay off your property taxes right away.

## 5 Options To Resolve Your Property Tax Bill

**Option 1: Get a loan to pay off your property tax bill.**

However, before getting a loan, check the interest rate on your property taxes.

If you don't have good credit, it may be preferable to pay 5% interest on your property taxes, versus a higher interest rate charged on a loan. The caveat to this is the additional cost of any penalties or other fees that could be charged to you.

- For example, in California, if you do not pay your property taxes by the due date (December 10th), a 10% delinquent penalty is assessed right away. If the bill isn't paid by April 10th, an additional 10% penalty is assessed. After July 1st, you will be charged 18% interest, because California does not hold tax certificate auctions.
- You may have to pay other fees and penalties. The tax collector may charge a fee on the tax certificate auction. They may also charge a redemption fee. These fees may be more expensive than paying a higher interest rate.

## **Option 2: Sell your property and use the profit to pay off your property tax bill.**

Why not sell your property for top dollar before letting a tax bill drive it to a foreclosure? If you are interested in selling, we can sit down and talk about the process and what you're facing. I'll let you know what to expect, and how I can help.

You can reach me by phone: [number here] or email: [\[email address here\]](#) anytime.

## **Interested in selling but unsure how much your home is worth?**

I'd be happy to provide a Free Analysis of how much you will make from the sale.

Here is what I will provide:

- I'll tell you exactly what your property would sell for on the open market.
- I'll show you how to request a payoff amount for the property taxes. This is where the tax collector sends you paperwork with the exact amount necessary to pay off your property taxes.
- You can use this info to figure out an estimate of the amount that you will receive on the sale of the property.
- To request this free analysis, send me an email at [\[email address here\]](#)

## **Be careful if you receive an offer from a stranger when your property is not for sale.**

Before you agree to anything, check that you are not selling for less than your home is worth! Many investors will mail you a letter saying they want to buy your property. These unsolicited offers typically pay pennies on the dollar, and take advantage of owners who don't realize what their property is worth.

Now, it's not a bad idea to look at offers from strangers. It could be a fair deal for you. You could sell quickly with no need to list your home on the open market.

But please don't allow an investor to make money at your expense! Before you sign a contract; get a second opinion on the true value of your home. The good news is you do not need to pay for an expensive appraisal. As a professional Realtor, I can provide you with a full market analysis free of charge.

### **Option 3: Re-finance and use the proceeds to pay off the property taxes.**

Contact your bank about refinancing. Get quotes from other lenders. Shop around for a loan with the best terms for you. You might even be able to obtain a loan with a lower interest rate than what you are currently paying. You could end up saving money on your monthly payment and settling your tax bill.

### **Option 4: Work out a payment plan with your local tax collector.**

Some tax collectors will allow you to repay the amount you owe with a payment plan. Others will not. It depends on laws and rules in your area, and can vary by county.

Contact your local tax collector's office and ask them if a payment plan is an option. Compare the payment plan with your other options to pick the best fit for your case.

### **Option 5: File a request for property tax abatement.**

Some jurisdictions may reduce or completely forgive the amount of property taxes that you owe in a hardship situation.

Again, options will vary, depending on the jurisdiction and your circumstances. Contact your local tax collector's office and ask them if there are any abatement options available to you. If there are, be sure to follow the procedures carefully!

## **Don't Panic, and if you need help, ASK!**

I hope that you can see by now there are many options available to help resolve a late or missed tax bill. Take your time going through all of them.

Investors prey on fear, and they will push you to rush into a rash decision. They don't want you to be informed, because you probably won't give them a steal of a deal if you are!

Please feel free to contact me if you have any questions. I'm always happy to help!

Sincerely,

[name and company info]

[insert any required legal and financial advice disclaimers here]