

A GUIDE TO TEXAS TAX SALE FORECLOSURES

by Cathy Crowe

Texas is a Deed state. Tax Liens which are evidence a tax delinquency are satisfied only by the sale of the property in Texas. Tax Lien Certificates and Tax Liens in general, are not sold in Texas by auction or by any other method. The property itself is sold at auction to satisfy the Tax Lien.

In terms of Tax Lien Certificate public sales or auctions as in the case in many states other than Texas, these do NOT occur in Texas. Do not let anyone sell you a Texas Tax Lien Certificate, because they do not exist.

The only way to obtain real estate from tax foreclosures in Texas is by actual purchase of the property at public venue (tax foreclosure sale at the court house step). The deed will be issued conveying title and ownership of the property to you the buyer.

Buying Property Posted for Tax Foreclosure

When an owner of real estate fails to pay the scheduled tax payments due after the receipt of a tax statement, the taxes become delinquent. When any of the taxing authorities those are due taxes decide to force payment of the tax arrearage, that taxing authority must sue in court to gain permission to foreclosure on the tax lien that is securing payment of the tax arrearage.

Texas is a judicial foreclosure state in the case of tax foreclosures.

If the court allows the foreclosure to proceed, a Sheriff's (Constable in some Texas counties), sale notice is posted twenty days in advance of the scheduled foreclosure sale date.

Bidder's Certificates are required to purchase property at the tax sale. At least 24 hours prior to the sale, all certificates must be purchased at the Dallas County Tax Office, 1201 Elm Street, Suite 2600, Dallas, TX 75270.

What is a Bidder Certificate?

An official document from the Tax Assessor/Collector or his deputy showing the amount of delinquent taxes, penalties, interest and any known costs or expenses due the taxing jurisdictions for specific properties, wholly or partially in Dallas County, owned by an individual or a company.

A Bidder Certificate is required by the Dallas County Sheriff Department before participating in the "first Tuesday" tax sale/auction of properties being sold due to non-payment of property taxes. [Click here for an example.](#)

What is the cost for a Bidder Certificate?

There is a non-refundable fee of \$10 for each Bidder Certificate issued.

Are any other documents required in order to purchase a Bidder Certificate?

In addition to the \$10 fee, a notarized Affidavit is also required. The Affidavit should include the following information. The Affidavit must be the original signed and notarized document; copies are not permitted.

Information required in the Affidavit:

Name of person/company requesting the Bidder Certificate

Mailing address of the requesting person/company

List of all Dallas County property currently or formerly owned by the requesting person/company

The list must include all property located in Dallas County, whether partially or wholly located in Dallas County

Additional pages may be attached, if needed

Original signature

Notary seal and original signature

When does a Bidder Certificate expire?

The Bidder Certificate is valid for 90 days from the date issued.

Where can a Bidder Certificate be obtained?

In Person at:

Dallas County Tax Office
Renaissance Tower
1201 Elm Street, Suite 2600
Dallas, TX 75270



The Sheriff Sale Notice

The Sheriff Sale Notice can announce three (3) different types of foreclosures.

- **TAX FORECLOSURES:** The property is being auctioned to satisfy real estate tax delinquencies not paid by the property owner.
- **MAINTENANCE FEE FORECLOSURES:** The property is being auctioned to satisfy maintenance fee assessments not paid by the home owner. Home Owner Association dues are the most common type seen here.
- **JUDGEMENT FORECLOSURES:** Property is being auctioned to satisfy a judgment against one party on behalf of another party, neither of those parties being taxing authorities.

The Sheriff Sale Notice will provide minimal legal information regarding the property scheduled for foreclosure.

A typical notice will include:

- The Cause Number (the lawsuit identification number)
- The court that rendered the decision
- The Plaintiff (the taxing authority)
- The Defendant (the owner of the property)
- The tax arrearage amount
- Court cost and attorney fees
- A legal description of the property (lot, block and subdivision)
- The common address
- The Constable Precinct number
- The name of the Sheriff conducting the sale proceedings
- Scheduled time of the sale

SHERIFF SALE POSTING LIST

Sheriff sale posting list are public documents that are posted at designated sites in every county for review by the public. You can go to the court house and review these notices yourself. You can write down manually all the information that you need on any particular piece of property.

Unfortunately, the type of information on the property that an investor needs about the particulars of a property are not listed anywhere on the sheriff sale posting.

You will have to do your own research on the property if you want to know any of the following:

- Type of property (house, vacant land, condo, commercial structure)
- Tax roll account number
- Tax valuations
- Property particulars (square footage, # of beds, baths etc,)
- Homestead exemptions

You can purchase these list from many reliable sources that will give you varying amounts of information.

PURCHASING PROPERTY SCHEDULED FOR TAX FORECLOSURE

Property scheduled for tax foreclosure can be purchased in one of two ways.

1. At the Tax Foreclosure Auction
2. Directly from the owner before the schedule Foreclosure sale



The Process of Purchasing Property at the Foreclosure Sale

Under Texas law, foreclosure sales must occur on the first Tuesday of each month and only on the first Tuesday. In most counties in Texas, if the sale falls on a holiday (New Years Day or Independence Day) the sale is deferred to the next month. Note this is not the same with Mortgage Foreclosures that proceed no matter what holiday it may be.

The legal hours of sale are between 10:00 a.m. and 4:00 p.m.

The sale occurs at the county courthouse.

Please note that the tax foreclosure sale takes place at the same location and the same time as the trustee sales for mortgage delinquencies. Many more mortgage foreclosures occur than do tax foreclosures so there might be some confusion over where the exact place the tax sale is happening.

In order to buy a property scheduled for foreclosure at the auction, you must know who is going to conduct the sale and at what time. In some counties there may be different sheriffs or constables representing different types of foreclosures doing the sale. You will find this information on the posting of the sale.

It might prove to be challenging to find the person who will do the auction, but there will be many people there that will point you in the right direction if you just ask.

When you find the sheriff or constable that will conduct the sale for the property that interest you, he may only have one property to sell or he may have many. All you have to do to offer a bid is to stand in close proximity to the person conducting the sale so they you can easily be recognized if you decide to call out a bid. There is not registration or qualifying of the bidders. The sale is an open, public auction and your only necessary qualification is simply showing up and having money to complete the sale.

If the taxes against the property of your interest are still delinquent as of the scheduled sale date, the sheriff will offer it for auction. Reading from the copy of the Sheriff Sale Notice, the Deputy will announce the Cause Number of the property being foreclosed along with the defendant's name and legal description of the property. The first bid will be on behalf of the taxing authority which represents the tax arrearage along with other costs such as attorney fees and court cost. Then the bids will be asked from the public, which will need to exceed the initial bid. You would make your bid verbally and speak loudly so you can be heard.

The Process of Purchasing Property at the Foreclosure Sale (cont.)

Under the requirements of the Texas Property Tax Code, properties are sold for CASH only. The sheriff will not accept a letter of credit or any means of financing the bid amount. Your payment must be either in the form of cash or cashiers check.

If your bid is the accepted, final bid, you must have your funds with you in the form of cashiers checks or cash. Rarely, will they allow you time to go and get the money and bring it back, this would only happen if they know you are a seasoned buyer that have purchased before at the sale. It is a good idea to have cashiers checks in varying denominations and make up the difference with cash if there is an odd amount.

Once the sheriff declares you have won the bid, you are immediately become the owner of the property. You will not receive your sheriff's deed for several weeks conveying formal title of the property to you.

What happens to the property if no one makes a cash bid?

If no one bids on a property at the amount that the sheriff started the sale at to cover the arrearages, the sheriff will foreclose the property in favor of the taxing authority as a credit against the tax arrearage. Ownership of the property would transfer to the taxing authority.

The property would then become a "struck off" property. "Struck off" properties can be re-sold by taxing authorities.

"Struck off" is property that has been previously foreclosed in favor of the taxing authorities. No member of the public was willing to purchase the property for cash. The taxing authority became the owner of the property as a result of the foreclosure auction.

Other states call this "over the counter" as the term for this type of property.



How to Purchase “Struck Off Property”

Some taxing authorities have lists or a portfolio of “struck off” properties. Some taxing authorities have the attorneys that represent them keep the list of properties and handle all the inquires.

There is no county official or single taxing authority that publishes a comprehensive countywide Tax Foreclosure “Struck Off” list.

Re-sales of “struck off” property is governed by the Texas Property Tax Code and allows the various taxing units throughout Texas to re-sell “struck-off” property in one of two ways. They can either re-sell the property directly to any member of the public or can exercise a more cumbersome process that requires the re-posting and re-selling of the “struck off” property by use of aforementioned public foreclosure auction sale.

Many counties in Texas, especially the smaller ones, us the direct re-sell method. If you express interest in a property they will sell the property to you.

If the county chooses to use the more cumbersome re=posting and public foreclosure auction method, under those particular provisions, in order for you to buy a “struck off” property, you must have reviewed a “struck off “ report to determine what is available. You must then designate the property of your interest to the taxing authority or to their attorneys as the on you intend to purchase.

Then the taxing authority would have to cause the Sheriff to re-post the property of your interest for a new foreclosure sale as a Sheriff Sale posting, with the previously alluded to twenty day posting period to offering the property for sale at the public auction the first Tuesday of the following month.

You will also be asked to pay a handling fee to the law firm to initiate this re-sale action. (This fee varies from \$100 upward).

You might think that you are the only one interested in this property, as you are the one that has pushed for this process to happen. Under the provisions of the Texas Property Tax Code, the property has to be re-posted for foreclosure at public auction affording any other member of the public an opportunity to bid for the property. The property will appear in the reports that are published and purchased as a “re-sale”.

Bidding procedures at the foreclosure sale are essentially the same as previously described.

How to Purchase “Struck Off Property” (cont.)

If you have requested the re-sale of a certain property, you are obligated to offer the minimum bid to “open” the bidding. Should others raise the bid, you can decide whether you want to continue to bid or not.

Mortgages, Other Liens and Encumbrances

When you purchase a property at a tax foreclosure sale, the tax lien is a superior lien.

Texas is a judicial foreclosure sale state regarding tax foreclosures. Taxing authorities hire law firms to sue in court to gain permission to foreclose. These law firms are specialist in tax foreclosure law. Their main duty when filing a law suit is to discover liens of record against the properties. They do so to make those recorded lien holders party to the law suit giving them the opportunity to protect their interest in the property.

As long as the law firm has made all the recorded lien holder party to the lawsuit to gain permission to foreclose and the record lien holders were mentioned in the lawsuit then your title and ownership based upon your purchase at the tax foreclosure sale is unencumbered with the exception of any other tax liens or IRS liens.

Can you be sure all record lien holders were made party to the suit?

The law firms filing suits on behalf of the taxing authorities specialize in this type of law and the chances of their failure to discover record lien holders and make them part to the suits is very minimal.

It is recommend to make absolutely sure that nothing was missed by these law firms, you should do a lien search of the property of your interest to determine if any mortgages or liens are on record in the county clerk’s office.

You should also review the lawsuit on file on behalf of the taxing authority to verify that the record lien holders have been made party to the lawsuit. Do your due diligence before the sale and perform these cumbersome time consuming task.

If you cannot do the due diligence yourself you can hire a title company or and abstractor to do so. They can complete a lien search at a reasonable cost and they will complete the work very quickly. If you are not familiar with the filing system at the county clerk’s office, completing the lien check yourself can be risky. It is suggested that you hire a profession to do this search for you until you can become competent with the system.

Can you be sure all record lien holders were made party to the suit? (cont.)

If your lien check reveals recorded liens or mortgages, you must also review the law suit on file in the county records. Use the cause number from the Sheriff Sale Posting Notice to locate the lawsuit. Verify in the filed lawsuit that the discovered recorded lien holders have been made part to the suit.

If the lien holders were made party to the law suit, it is highly unlikely that the sale will occur. The lien holder will probably pay the taxed to protect their interest in the property.

Other Taxing Authorities Tax Liens and IRS Liens

A real estate tax lien is a superior lien regarding other record lien holders or mortgage holders, a tax foreclosure does not eliminate other tax liens or IRS liens. You will want to conduct a lien search of the records for an IRS liens that is attached to the property. You will also want to check with the other governing tax authorities to verify if there are outstanding taxes due to them.

If such liens do exist, evaluate the amounts outstanding. You may still want to purchase the property if by paying the taxes that are being foreclosed on and the other tax liens, there still may be enough equity for you to be in a good position with the property. You would want to pay off those taxes that are owed in order to remove them as later encumbrances against the property.

One important note to remember is that the current year taxes may be due when you purchase the property at auction which you would also become subject to paying.

The Redemption Period

Under Texas tax foreclosure law, the previous owner of a property foreclosed for tax delinquency has a right to redeem. The previous owner can have his property returned to him from you if he pays the bid amount you paid at the auction.

If the owner had homesteaded the property (this should be shown on the Sheriff's Sale Posting), the previous owner has a 2 year redemption period.

If the previous owner redeems the homesteaded property, you are entitled to:

- All of your money that you have paid for the property when you purchased it at the sale.
- Plus 25% of that bid amount if the redemption is during the first year.
- Plus 50% of that bid amount if the redemption is during the second year.

The Redemption Period (cont.)

If the property is non-homesteaded, the previous owner has a 6 month period to redeem the property.

If the previous owner redeems the non-homesteaded property, you are entitled to:

- All of your money that you have paid for the property when you purchase it at the sale.
- Plus 25% of that bid amount.

The redemption period begins when the Sheriff's Deed is filed in the County Clerk's office, so keep after the Sheriff's office or the Deputy that conducted the sale to get the deed recorded. If you do not stay on top of the filing of the deed, there may be many unusual delays that can occur.

Keep of certified copy of the deed in your file just in case the previous owner contacts you to redeem the property. You will then be sure of the dates.

You do have substantial economic protection during the redemption period.

You cannot borrow money on the property during this time period.

Any improvements that you make on the property during this period are at your own risk. If the owner redeems the property the improvements would be a benefit to them.

All property taxes that are accessed during this time period are to be paid by you.

Once the redemption period expires, your deed becomes whole. You now have good equitable title. Any tile company will now issue a title policy on this property as long as there are no other liens on the property.



Possession of the Property

When you purchase a property at a tax foreclosure auction, you have the right of possession of the property despite the previous owner's redemptive rights.

If the property is still occupied after your purchase of the property, inform the previous owner that you now own the property and give him a reasonable amount of time to vacate the premises. (3-5 days)

Most of the time the previous owners will leave. If they refuse to leave, you must appeal to the local justice of the peace for the area that the property is located in for an eviction. This process can take from 4-6 weeks.

If there is a tenant in the property, introduce yourself to them as the new owner. You can prove you are the new owner by the receipt from the sale when you paid for the property. You can tell them that you will be providing them with a certified copy of your deed to insure them that you are the owner once you get a copy. You must by Texas Property Code honor the lease that is currently in place until the expiration date. Inform them in writing of where to pay the rent. You will have to get a copy of the current lease from them. It is in your best interest to keep the tenant happy during the transition period.

WHAT ARE YOU ENTITLED TO DURING THE REDEMPTION PERIOD?

The previous owner is not entitled to rents, income or other benefits during the redemption period.

Remember you are not entitled to repair and improvement cost if the owner redeems the property.

You will not be entitled to a title policy during the redemption period.

You may sell the property at any time to any willing buyer. You must disclose to the buyer of the redemptive rights that are in effect.

You can rent the property and collect rents during the redemption period.

You can lease option the property for the buyer to purchase when the redemption rights expire.

Maintenance Fee Foreclosure/Homeowners Dues Foreclosures

Many condominiums, townhouses, and homes with an association, pay a monthly maintenance fee assessment to the association for the upkeep of the grounds and certain utilities. Failure to pay those monthly maintenance fees can result in foreclosure.

In the state of Texas, HOAs have rules requiring that they give written warning of their intention to foreclose at least 60 days before beginning those proceedings. A court order is required to foreclose. If you cannot pay the amount due in the time allotted, your HOA must provide you with an alternate payment plan to help you manage these costs and retain your home.

You can buy these types of foreclosures at the monthly tax foreclosure auction and in many cases, for very little money. Maintenance fee arrearages can sometimes total as little as several hundred dollars and in most cases certainly not more than few thousand dollars.

If you buy the property for this small maintenance fee arrearage, you do become the owner of the property.

Effective January 1, 2002, homeowners who lose a home due to maintenance fee delinquencies will be allowed 180 days to redeem the property. If you purchase a home at the foreclosure auction due to maintenance fee delinquencies, be prepared to surrender the property back to the homeowner for a period of 180 days subsequent to your purchase and the recording of the Sheriff's deed.

The law requires you to obtain possession of the property you must commence and prosecute a forcible entry and detainer action through the courts.

You also cannot sell the property to another individual, other than the original owner, until the redemption period expires.

Unlike tax foreclosure, a maintenance fee foreclosure will not wipe out a mortgage or previous liens in place. You would immediately be taking the property subject to the existing mortgage and or liens. You would be responsible to make the mortgage payments and if you did not pay them, the mortgage company would have the right to foreclose against you.

You also become responsible for any outstanding taxes that are due on the property once you have purchased the property at the sale.

Maintenance Fee Foreclosure/Homeowners Dues Foreclosures (cont.)

On December 30, 2011, the Texas Supreme Court issued its Amended Final Approval of Amendments to Texas Rules of Civil Procedure 735 and 736 governing foreclosure of certain liens, which became effective January 1, 2012.

These rewritten rules include significant new requirements for both the form and contents of the application for order allowing foreclosure of home equity loans, reverse mortgages and home equity lines of credit.

Additionally, the Supreme Court expanded the scope of the rules to include foreclosures of transfer tax, or tax loan liens, as well as certain property owner association assessment liens.

Notable procedural changes also include a new requirement for issuance of separate citations for each respondent and occupant, with service and returns to be completed by the clerk of court.

Though applicants have always been required to attach a supporting affidavit with evidence proving up the existence of a default, the rules now specifically require that the application describe or state as of a date not more than 60 days prior to the date the application is filed:

- number of months in default
- amount required to cure the default,
- the amount required to pay off the lien.

Finally, legible copies of all required notices and associated proofs of mailing must also be attached to the supporting affidavit.

The clerk of court must now issue separate citations for each respondent named in the application along with a citation addressed to the 'occupant' of the property. The clerk of court must serve all citations by regular and certified mail and complete a return of service.

The new rules provide definitive time lines for courts to act. If a response is filed, the court must schedule a hearing. The hearing must be scheduled no earlier than 20 days, but no later than 30 days after a request for hearing by any party.

Upon the granting of an order allowing foreclosure, the amended rules eliminate the need for respondents to file a last minute temporary restraining order to stop a scheduled foreclosure sale pursuant to a Rule 736 order.

Maintenance Fee Foreclosure/Homeowners Dues Foreclosures (cont.)

The sale is automatically stayed if respondent files a separate suit putting any matter relating to the application in issue prior to 5:00 p.m. on the Monday before the scheduled foreclosure sale. Any foreclosure sale held after such automatic stay is in place is void. On the other hand, if no order has been signed by the court at the time such suit is filed, the court must dismiss a pending proceeding upon timely motion by the respondent.

Judgment Foreclosures

In tort actions, one party injured by another party can have judgments rendered against them in a court of law entitling the damaged party to certain monetary compensation.

If the party causing the injury owns non-homesteaded real estate, a court will allow a foreclosure of the non-homestead property to satisfy the judgment in favor of the injured party.

You can buy such property for the Sheriff at the tax foreclosure sale for the judgment amount.

All senior liens that are filed on the property would have to be assumed by you the buyer.

All junior liens that are filed on the property would drop off.

All taxes due on the property would become the responsibility of the new owner.

Lien position, senior or junior, is dependent upon the date of filing in the county court records.



Purchasing the Property Directly from the Homeowner Before the Foreclosure Sale

You should try to purchase the property directly from the homeowner before the sale.

This method requires that you obtain the acquisition of a Deed from the owner with the “assumption” of or paying off all other mortgages, liens, judgments, taxes, and the tax lien that is causing the foreclosure action.

Here are the basic steps that need to be done in a swift matter, as you only have 21 days from posting date to foreclosure Tuesday.

- Contact the owner as early as you can during the 21 day pre-foreclosure period. You can call the owner on the phone, mail him a letter or postcard, but the most effective approach is to knock on the owner’s door and meet him face to face. Speaking directly to the owner is by far the best way to meet your goal of obtaining the property.
- If he is willing to speak to you, kindly ask him to show you the property for you to determine your investment opportunity.
- Tell him your knowledge of the pending tax foreclosure and that you may want to purchase the property under the right terms and conditions.
- Of foremost concern of yours, is if there is a mortgage that exists on the property. Inquire what the loan balance is, monthly payments, if the payments are current or in the arrears.
- Inquire if there are any other liens or judgments against the property. If so, how much are they, who are they and how can you get in contact with them.
- After gathering the information, evaluate the investment just like you would any other property to include all payoffs and repairs to have the property in it optimum condition.
- Offer the seller an amount that is comfortable to you and fits into your formula for the deed to the property and to leave the property in good condition.
- Make sure that the owner knows that you are going to “assume” all outstanding mortgages and liens. And that you are going to pay the taxes to that are causing the pending foreclosure sale.
- If he accepts your offer, write a contract stipulating all the concerns spelling out what you are going to be responsible for and what the owner is going to be responsible for. Both parties must sign this document.
- Pay him a small amount (\$10.00) for consideration to insure the validity of the contract and record that money has been exchanged on the contract.
- Hire a professional abstractor or title company to complete a lien search on the property to verify that no other liens or judgments exist against the property other than what the owner described to you.

Purchasing the Property Directly from the Homeowner Before the Foreclosure Sale (cont.)

- Contact the taxing authority holding the tax lien causing the pending foreclosure action, disclose to them your contract verifying your legitimate interest in the property, and determine if they will allow you to pay off the tax delinquency after you have obtained the deed.
- If everything checks out, pay the owner as agreed and have him sign the deed in the presence of a Notary.
- With the deed in hand proving your ownership, return to the taxing authority and pay off the tax delinquency.
- Complete the “assumption” of the other liens by any means that you are comfortable with by taking the property subject to.

The property is now yours. You do not have to wait on a redemption period. You may sell the property right away and reap your profits.

Eviction

Important information on legal terms, guidelines, and the eviction process.

This brochure provides an outline of the eviction procedures in Dallas County, Texas. It does not offer legal advice. Its purpose is to provide a basic eviction lawsuit generally proceeds through the legal system. To obtain specific legal advice, please contact an attorney licensed to practice law in Texas.

What is an Eviction?

Eviction is the legal process by which a landlord removes a tenant and other occupants from rented property. A landlord can bring an eviction lawsuit if a tenant fails to pay the rent required by the lease agreement. Eviction may also occur for other reasons, such as if a tenant fails to do things required by the lease other than pay rent. A tenant can also be evicted for staying longer than the lease agreement allows without the permission of the landlord.

If the landlord provides evidence of any of these reasons and the tenant fails to prove otherwise, the court can order the tenant to move out even if he or she does not want to move. If the tenant refuses to move, the constable or sheriff can cause the physical removal of the tenant, all occupants, and all belongings from the leased property.

What Rights does a Tenant have?

Eviction laws give landlords quick, simple, and fairly in expensive methods to remove tenants who have failed to pay rent, otherwise violated agreements in the lease, or remain in the leased real property for longer than the landlord has authorized.

If the tenant has paid the rent, has not violated the lease agreement in any significant way, and is authorized to be on the property, the tenant can appear in court to explain the reasons he or she should not be forced to leave. After considering both sides, the court will determine whether or not the tenant must vacate the leased real property. This legal process prevents landlords from “taking the law into their own hands” and forcing tenants to leave without good cause as determined by the court.

Which will Determine the Eviction Lawsuit?

Only the Justice of the Peace Court (JP Court) in the JP precinct in which the leased real property is located has jurisdiction over (the power to decide) eviction lawsuits. If you are sued for eviction, the papers delivered to you will have the address of the proper JP Court. If the eviction lawsuit has not yet been filed, call your local JP or constable’s office to find out which JP Court will be the proper court.

What Occurs in an Eviction?

1. The landlord must first give the tenant written notice to vacate, demanding possession by a specific date. The notice period stated in the written lease is sufficient, except that it cannot be less than 24 hours. If no notice period is stated in the written lease, at least three (3) days notice must be given before an eviction lawsuit can be filed. Exceptions to these general rules are cases where the tenant entered the real property without the landlord’s authority to do so (no written notice required), or if the law requires a different specific notice period. This written notice must be sent by mail, given in person to the tenant, given in person to any person residing in the leased property who is at least sixteen (16) years of age, or posted on the inside of the main entry door to the leased property.
2. If the tenant fails to move out before the deadline stated in the written notice to vacate, the landlord may file an eviction lawsuit with the JP Court. This lawsuit must state the specific reasons why the tenant must leave. The landlord can also ask for rent owed and attorney’s fees, so long the amount does not exceed \$5,000, plus all court costs. If the landlord wants to collect more than \$5,000, the landlord must bring a different lawsuit for monetary damages in a different court.

What Occurs in an Eviction? (cont.)

3. After the landlord files the lawsuit, the tenant will be served with a citation (an official notice that he or she is being sued) and a copy of the lawsuit, along with a notice advising the tenant of the date, time, and place of the hearing. The hearing will be set not more than ten (10) nor less than six (6) days from the date of service (the date that the citation and the lawsuit are delivered to the tenant). In order to obtain service, a constable or sheriff will deliver the lawsuit in person to the tenant, or if the tenant avoids service or cannot reasonably be found, the lawsuit may be posted on the leased property.
4. In some JP Courts, the tenant must appear in person or in writing before the date and time indicated on the papers to deny the claims made by the landlord. As soon as the papers are received by a tenant, he or she should read the papers carefully and contact the JP Court to determine how the case will be handled.
5. A tenant should appear for the hearing at the JP Court on the date and time indicated in the papers. If the tenant has reached an agreement with the landlord resolving the dispute, the tenant should still appear at the JP Court to make sure that the case is dismissed. If no agreement has been reached, the tenant should appear at the JP Court for the hearing or he or she risks a default judgment (a judgment taken in the absence of the tenant), which is likely to be unfavorable to the tenant.
6. The landlord may try to obtain immediate possession of the leased property by filing a bond for possession before the scheduled hearing occurs. If a bond is filed, the landlord may retake possession of the leased real property six (6) days after the tenant is served with the bond for possession, unless the tenant files a counter bond or requests that the eviction hearing occur within that six (6) day period. There is no fee to request a hearing. A tenant should file this request in writing with the JP Court. To file this request or any document, a person should make a copy of the document and take both the original and the copy to the court for filing. The clerk will file mark both the original and the copy and return the copy to the tenant.
7. Both the landlord and the tenant must appear in JP Court on the hearing date to present evidence. At this time, the tenant may explain to the JP Court why the tenant should not be forced to leave by presenting witnesses (including the tenant and/or occupants), documents (such as those showing that the rent was paid or that the tenant did not violate the lease agreement), or any other evidence that my support the tenant's position. An individual tenant or landlord can represent himself or herself at this hearing and does not need to have an attorney. However, if a landlord is a corporation, it may be required to have an attorney present in some eviction cases.

What Occurs in an Eviction? (cont.)

8. The Justice of the Peace will make a decision after hearing all the evidence from both the landlord and the tenant. If either side wants a jury to decide whether the tenant should be forced to vacate the leased property or be allowed to stay, that side must pay a jury fee in the amount of \$5.00 within five (5) days of the service date of the eviction papers. If no jury fee is paid, the Justice of the Peace presiding in the JP Court will make the decision.
9. If the Justice of the Peace or the jury finds that the tenant should be evicted, the JP Court will sign and enter a judgment awarding possession of the property to the landlord. The judgment may also award past due rent, attorneys' fees, and court costs to the landlord. The landlord can then request a writ of possession, which allows the constable or sheriff to physically remove the tenant, all occupants, and all belongings from the leased property. The writ cannot be used until after the time to appear expires, which is usually at least six (6) days after the hearing. Once the writ of possession is obtained, a constable or sheriff will supervise the removal of all persons and their belongings from the leased property after giving them 24 hours notice. If it is raining, sleeting, or snowing, the officers will not allow belongings to be placed outdoors, and typically they will not execute writs in these conditions.

If a Tenant or Landlord Loses the Eviction Case, How does He or She Appeal?

1. Whichever party loses in the JP Court can appeal and receive a new trial in the County Court. Although an individual may represent himself or herself in the County Court, the complicated rules of civil procedure may be more strictly enforced. An individual may hire an attorney, or, if he or she cannot afford an attorney, the party may contact the Dallas Bar Association (214/220-7400) or Legal Services of North Texas (214/748-1234), both of which may provide a no-fee or low-fee attorney if the party meets certain low-income requirements.
2. The party wishing to appeal must file a notice of appeal with the JP Court no later than five (5) days after the judgment in the JP Court is signed. If the fifth day falls on a weekend or holiday, the deadline for appeal will fall on the next day that the JP Court is open.

If a Tenant or Landlord Loses the Eviction Case, How does He or She Appeal? (cont.)

3. To appeal a case to the County Court, a tenant must put up a bond (a promise to pay a certain amount), which must be signed by the tenant and two other individuals (sureties) who have real estate in Texas or other assets (such as savings accounts, bonds, etc.) sufficient to pay the landlord if the tenant loses on appeal. The JP Court sets the amount of the bond (usually twice the amount of one month's rent plus approximately \$175 for court costs) and approves the bond. If the tenant wins the appeal, no payment on the bond will need to be made. If the tenant loses the appeal, the tenant will be required to pay the amount, and if he or she fails to make payment, the individuals who signed the bond will be liable up to the amount of the bond.
4. If the tenant cannot afford a bond, or is unable to obtain sureties, the tenant may choose to file a pauper's affidavit. A pauper's affidavit is a sworn statement (it must be notarized) made by the tenant stating that the tenant is too poor to make bond or pay costs. The pauper's affidavit must be filed on or before the fifth day after the judgment is signed or the tenant loses his ability to appeal and the judgment becomes final. A landlord can contest the pauper's affidavit and force the tenant to prove that he or she is unable to obtain a bond at a hearing before the JP Court. If the pauper's affidavit is approved, the appeal will go forward. If the JP Court determines that the tenant has the ability to post bond, the pauper's affidavit will be disapproved and have no effect. In this case, the tenant can instead request that the County Court approve the pauper's affidavit. The JP Court will typically allow the tenant five (5) additional days to file an appeal bond or to ask that the County Court determine the validity of the pauper's affidavit. If the County Court also disapproves the pauper's affidavit, the tenant will typically be given another five (5) days to file an appeal bond.
5. If the appeal papers are properly filed and the bond is in place, the tenant may stay in the leased property until the case is determined by the County Court. However, if a pauper's affidavit has been filed and approved, the tenant must deposit one month's rent within five (5) days of the filing of the pauper's affidavit if the eviction was for failure to pay rent. If this is not done, the tenant may be removed from the leased property before the trial in the County Court.

If a Tenant or Landlord Loses the Eviction Case, How does He or She Appeal? (cont.)

6. No matter who appeals the case, the tenant must file a written answer in the County Court within eight (8) days after the JP court files the transcript (the record of the proceedings from the JP Court) in the County Court. A tenant should contact the County Court assigned to hear the appeal to determine when the transcript has in fact been filed. A written answer is a written document that identifies the case, denies the claims made by the landlord, and may state the tenant's defenses (reasons why he or she should not be evicted). If the tenant fails to file a written answer within this time period, the landlord may obtain a default judgment and the appeal will be lost without trial occurring at the County Court.
7. Once the tenant files a written answer, the County Court will set the matter for trial. The tenant must appear at the trial to present evidence (documents, witnesses, etc.) that he or she has paid the rent, has not violated the lease agreement, or is otherwise entitled to remain in the leased property. As with the trial in the JP Court, either side may request that a jury determine whether the tenant should stay. If the judge or jury finds for the tenant, the tenant may remain in the leased real property. If the landlord wins, the landlord may obtain a writ of possession, as described above, and the tenant and all occupants must remove their belongings and vacate the premises.

Courtroom Do's and Don'ts

Timely Appearance

If you do not know where the JP Court is located, call for directions and allow plenty of time to arrive promptly at the JP Court on the hearing date. It is important that you arrive on time. If you arrive late, the Justice of the Peace may take offense, or, even worse, allow the eviction lawsuit to proceed without you, which usually results in the landlord taking a default judgment against you.

Proper Clothes

When you appear in court, you should dress as though you are going to a job interview. Men should wear pants and a shirt with a collar; a suit, jacket, or tie is always appropriate. Women should wear a dress, skirt, or pants that are not too tight, too short, or too low cut. Excessive make-up or jewelry should not be worn. It is never proper to wear a hat, short, t-shirts, or sandals.

Courtroom Behavior

It is important to show respect to the court. It is never proper to talk, read a newspaper, smoke, eat, drink, or chew gum in the courtroom. When you enter the court, quietly sit down in the main area. When the Justice of the Peace enters or exits the courtroom, the bailiff will request that those in the courtroom stand. The Justice of the Peace will enter, request that those standing be seated, and proceed with the docket (the list of cases to be heard that day). When the Justice of the Peace reaches your case, he or she will call you and the landlord to come up to the bench so that the case can be heard. Always be polite to the Justice of the Peace and listen to the questions he or she asks so that you can respond appropriately. Never get angry with the court; instead, take a deep breath and explain calmly why your position is the correct one. Once the Justice of the Peace has made a decision, listen carefully so that you will understand it and be able to decide whether to accept or appeal the decision.

Who's Who in the Courtroom

Judge – Each JP precinct and County Court has a judge who presides over his or her court. In our legal system, the judge is to be impartial and base decisions on the law and evidence that is presented in the courtroom. For this reason the Justice of the Peace or judge will not speak with the landlord or tenant separately, but will only discuss the case with them during the hearing. You should never attempt to contact the Justice of the Peace or judge in person, on the telephone, or in writing.

Jury – The landlord or the tenant, if either chooses, can have the determination of whether the tenant must vacate the leased property made by a jury (a panel of persons selected from the citizens of a particular area). In an eviction action, the jury consists of six (6) persons.

Landlord's Representative or Attorney – This is the person authorized by the landlord to represent him or her in the eviction action. This person will argue that the landlord's claims are valid, that the tenant should be evicted, and may also have authority to resolve the matter with the tenant before the eviction lawsuit is heard and decided.

Court Clerk – This person is assigned to a particular court and does not work directly for the judge, but instead works for the precinct or county. The clerk receives filings and processes all the paperwork that is generated in the court. The clerk also calculates the appropriate court costs.

Who's Who in the Courtroom (cont.)

Court Bailiff – This person is responsible for ensuring the safety of the court and making sure that those present behave appropriately. If the bailiff requests that you refrain from talking or other disruptive behavior and you ignore the request, the bailiff can force you to leave the court, or you could be found in contempt of court by the judge and fined, jailed, or both.

Nothing stated herein should be construed or interpreted to grant rights or remedies not otherwise granted under federal or state law.

This information is not intended as a substitute for legal advice or representation by a lawyer.



Property Tax Research

Date of Research: _____ Date of Inspection: _____

Cause Number: _____

Account Number: _____

Property Address: _____

Owners Name: _____

Owners Mailing Address: _____

Phone number: _____

Legal Description: Lot _____ Block _____

Subdivision: _____

Homestead: YES NO

Property Type: SF DUP MF LOT LAND

Amt of Delinquent Taxes: _____

Suit Filed by: _____

Additional Taxes Due: _____ Annual Taxes: _____

Liens: _____

IRS Liens Checked: _____

Inspection of Property Condition: Excellent Good Fair Poor Demo

Total Cost to Purchase: _____ Est. of Repairs: _____

Rental Rate: _____ Property Value: _____



DALLAS COUNTY TAX OFFICE
JOHN R. AMES, CTA
TAX ASSESSOR/COLLECTOR

REQUEST FOR WRITTEN STATEMENT UNDER TEX. TAX CODE § 34.015
 REGARDING DELINQUENT TAXES

A. Printed name of requesting person/company:
B. Mailing address:
C. List all property now owned by you in DALLAS COUNTY or in ANY CITY OR SCHOOL DISTRICT THAT IS LOCATED AT LEAST IN PART IN DALLAS COUNTY as follows:

	<u>Tax Acct. No.</u>	<u>Legal Description</u>	<u>Property Address</u>	<u>Date Acquired</u>
1)				
2)				
3)				
4)				

[Attach additional sheet if needed]

D. List all property formerly owned by you in DALLAS COUNTY or in ANY CITY OR SCHOOL DISTRICT THAT IS LOCATED AT LEAST IN PART OF DALLAS COUNTY as follows:

	<u>Tax Acct. No.</u>	<u>Legal Description</u>	<u>Property Address</u>	<u>Date Acquired</u>	<u>Date Sold</u>
1)					
2)					
3)					
4)					

[Attach additional sheet if needed]

I HEREBY REQUEST THAT THE DALLAS COUNTY TAX ASSESSOR-COLLECTOR DELIVER TO ME AT THE ADDRESS SHOWN ABOVE A WRITTEN STATEMENT UNDER TEX. TAX CODE §34.015 STATING WHETHER THERE ARE ANY DELINQUENT TAXES OWING BY ME TO DALLAS COUNTY OR TO ANY SCHOOL DISTRICT OR MUNICIPALITY HAVING TERRITORY IN DALLAS COUNTY, THE INFORMATION FURNISHED BY ME ON THE FORM ABOVE IS WITHIN MY PERSONAL KNOWLEDGE AND IS TRUE AND CORRECT.
--

 Signature and title, if applicable, of Requesting Person

SWORN TO AND SUBSCRIBED BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS ____ DAY OF _____, 20____, TO CERTIFY WHICH WITNESS MY HAND AND SEAL OF OFFICE.

[Notary seal]

 NOTARY PUBLIC, State of Texas
 Printed Name: _____
 Commission expires: _____

DISCLAIMER

This book and seminar if you attended can help jump start your career in foreclosure investing and help you understand the foreclosure process. But in no way is this book or seminar will be able to guarantee that any of its contents will get you a contract or purchase a property in the foreclosure process. Having success at buying property in foreclosure requires that you continuously attempt to contact defaulting homeowners and or bid at the auction. You must be willing to do the legwork, research and other preparation due diligence activities to be successful.



Over 35 Years of Experience in Real Estate



Investor Deals Is A Wholesaling Company That Focuses On Multi-family, Single Family, & Land Deals. Investor Deals Is Part Of The Family of Cathy Crowe Companies That Offer Full Service Real Estate Services.

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We Strive To Support Our Real Estate Investors And Propel Them In A Positive Direction For Growth.

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EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE.

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IMPORTANT INFORMATION

Real Estate investing has large potential for rewards and profits. But Real Estate investing has large potential for risk and loss. You must be aware of these risks and be willing to accept these risks to invest in real estate. Do not trade with money you can't afford to lose. No representation is being made by ALL STAR COMMERCIAL REALTY, CATHY CROWE, AND ANY OF THEIR AFFILIATES OR REPRESENTATIVES that properties, resources, or opinions mentioned in this eBook or their public websites, will or is likely to achieve profits or losses similar to those shown or evaluations generated by this eBook or websites.



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