



# **Evaluating and Selecting a Tax Lien Purchaser**

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# Goals for Today

- Answer all your questions about tax lien sales and tax lien buyers
- Identify the criteria and outcomes important to you
- Apply those criteria in your selection process

# Alternate Methods for Sale

- Bulk Sale (Ohio)
  - Key Benefit: lower administrative burden
- Open Outcry (lien-by-lien)
  - In Person
  - Over the Internet

# MOST Important Factor

- Make Sure Taxpayers are Treated FAIRLY
  - Clear Fraud
  - Gray Area
  - Legal Behavior BUT...
    - County Mistake
    - Hedge Funds
    - Headlines

# Headline Risk

**Nebraska Supreme Court rules in favor of firm that acquired land of 94-year-old who didn't pay taxes**

Omaha World-Herald Aug 26, 2018

**Editorial: Legislature should take a new look at tax delinquency law, given growing number of elderly**

Omaha World-Herald Aug 29, 2018

# Other Important Factors

- Confidence in Purchaser
- Maximize Proceeds and/or Quality Service
- Servicing Retained or Servicing Released
- Payment Plans
- Timing of Foreclosure
- Your Court System

# Evaluating Purchasers

- TWO KEY QUESTIONS:
  - Are they for real?
  - Are they just a contracted buyer or a true partner?
- Time in Business
- Ownership Structure
- Experience of Principals and Staff
  - People in your office vs. decision makers
- Financial Capacity

# Evaluating Purchasers

## Customer Service

- Review Prior Transaction Experience
- Servicing for Comparable Clients
- Administrative Capacity
- Commitment to Service



# Evaluating Purchasers

## Accounting & Technology

- Software Platform
- Reporting Capabilities

# Evaluating Purchasers

## Property Management and Disposition

- REO Capacity - In-House vs. Outsourced
- Commitment to Maintain Property
- Coordination with Local Market Makers / Realtors
- Ultimate Commitment to Community Organizations
- Note: Hard to borrow against real estate (as compared to tax liens)

# Summation

In order to insure that your property owners are treated  
FAIRLY and TRANSPARENTLY

Make sure your tax lien purchaser is your partner