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INDIANA HOA LAW

Indiana Homeowners Association Lien Act

As of July 1, 2014

IC 32-28-14

Chapter 14. Homeowners Association Liens

IC 32-28-14-1

"Common expenses"

Sec. 1. As used in this chapter, "common expenses" means:

- (1) all sums lawfully assessed against a subdivision by a homeowners association;
- (2) expenses of:
 - (A) administration;
 - (B) maintenance;
 - (C) repair; or
 - (D) replacement;of subdivision common areas and facilities;
- (3) expenses agreed upon as common expenses by a homeowners association; and
- (4) expenses declared common expenses by the bylaws or another written instrument of a homeowners association.

As added by P.L.135-2007, SEC.3.

IC 32-28-14-2

"Homeowners association"

Sec. 2. As used in this chapter, "homeowners association" means all the owners of real estate in a subdivision acting as an entity in accordance with any:

- (1) bylaws;
 - (2) covenants; or
 - (3) other written instruments;
- of the homeowners association.

As added by P.L.135-2007, SEC.3.

IC 32-28-14-3

"Real estate"

Sec. 3. As used in this chapter, "real estate" means a right, a title, or an interest in real property.

As added by P.L.135-2007, SEC.3.

IC 32-28-14-4

"Subdivision"

Sec. 4. As used in this chapter, "subdivision" means the division of a parcel of land into lots, parcels, tracts, units, or interests in the manner defined and prescribed by a subdivision control ordinance adopted by a legislative body under IC 36-7-4.

As added by P.L.135-2007, SEC.3.

IC 32-28-14-5

Homeowners association lien; notice of lien requirements

Sec. 5. (a) All sums assessed by a homeowners association but unpaid for the share of the common expenses chargeable to an owner of real estate in a subdivision constitute a homeowners association

lien on the real estate effective as provided in section 6 of this chapter.

(b) The priority of a homeowners association lien is established on the date the notice of the lien is recorded under section 6 of this chapter.

(c) A notice of lien may not be recorded under subsection (a) unless the notice of lien:

(1) contains:

(A) the name and address of the homeowners association;

(B) the address and legal description of the property that is subject to the lien;

(C) the name of the owner of the property that is subject to the lien; and

(D) the amount of the lien; and

(2) is:

(A) signed by an officer of the homeowners association; and

(B) acknowledged as in the case of deeds.

As added by P.L.135-2007, SEC.3.

IC 32-28-14-6

Lien attaches upon recording of notice of lien

Sec. 6. (a) A homeowners association lien under this chapter attaches to real estate upon the recording of a notice of lien by the homeowners association in the office of the recorder of the county in which the real estate is located.

(b) A homeowners association lien under this chapter attaches on the date of the recording of the notice of the lien under subsection (a) and does not relate back to:

(1) a date specified in the bylaws, the covenants, or another written instrument of the homeowners association; or

(2) the date the common expenses were assessed.

As added by P.L.135-2007, SEC.3.

IC 32-28-14-7

Liability for unpaid assessment

Sec. 7. (a) Except as provided in subsection (b), in a voluntary conveyance, the grantee of real estate is jointly and severally liable with the grantor for all unpaid assessments against the grantor for the grantor's share of the common expenses incurred before the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts of common expenses paid by the grantee.

(b) The grantee:

(1) is entitled to a statement from the manager, board of directors, or other governing authority of the homeowners association that sets forth the amount of the unpaid assessments against the grantor; and

(2) is not liable for, and the real estate conveyed is not subject to a homeowners association lien for, any unpaid assessments against the grantor unless the lien for unpaid assessments is recorded under section 6 of this chapter before recording the

deed by which the grantee takes title.

(c) If the mortgagee of a first mortgage of record or other purchaser of real estate obtains title to the real estate as a result of foreclosure of the first mortgage, the acquirer of title or the acquirer's successors and assigns are not liable for the share of the common expenses or assessments by the homeowners association chargeable to the real estate that became due before the acquisition of title to real estate by the acquirer. The unpaid share of common expenses or assessments is considered to be common expenses collectible from all of the owners of real estate in the subdivision, including the acquirer or the acquirer's successors and assigns.

As added by P.L.135-2007, SEC.3.

IC 32-28-14-8

Time limit for enforcing lien

Sec. 8. (a) A homeowners association may enforce a homeowners association lien by filing a complaint in the circuit or superior court of the county where the real estate that is the subject of the lien is located. The complaint:

(1) may not be filed earlier than ninety (90) days, unless:

(A) another person files a foreclosure action on the property that is the subject of the lien; or

(B) a person files written notice to file an action to foreclose the lien under section 9(a)(1) of this chapter; and

(2) must be filed not later than five (5) years;

after the date the statement and notice of intention to hold a lien was recorded under section 6 of this chapter.

(b) If a lien is not enforced within the time set forth in subsection (a), the lien is void.

(c) If a lien is foreclosed under this chapter, the court rendering judgment shall order a sale to be made of the real estate subject to the lien. The officers making the sale shall sell the real estate without any relief from valuation or appraisal laws.

As added by P.L.135-2007, SEC.3. Amended by P.L.167-2009, SEC.3; P.L.99-2011, SEC.4.

IC 32-28-14-9

Voiding of lien for failure to foreclose

Sec. 9. (a) A homeowners association lien under this chapter is void if both of the following occur:

(1) The owner of the real estate subject to the homeowners association lien or any person or corporation having an interest in the real estate, including a mortgagee or a lienholder, provides written notice to the owner or holder of the lien to file an action to foreclose the lien.

(2) The owner or holder of the lien fails to file an action to foreclose the lien in the county where the real estate is located within one (1) year after the date the owner or holder of the lien received the notice described in subdivision (1).

However, this section does not prevent the claim from being collected

as other claims are collected by law.

(b) A person who gives notice under subsection (a)(1) by registered or certified mail to the owner or holder of the homeowners association lien at the address given in the recorded statement may file an affidavit of service of the notice to file an action to foreclose the lien with the recorder of the county in which the real estate is located. The affidavit must state the following:

- (1) The facts of the notice.
- (2) That more than one (1) year has passed since the notice was received by the owner or holder of the lien.
- (3) That an action for foreclosure of the lien is not pending.
- (4) That an unsatisfied judgment has not been rendered on the lien.

(c) The recorder shall record the affidavit of service in the miscellaneous record book of the recorder's office. When the recorder records the affidavit under this subsection, the real estate described in the homeowners association lien is released from the lien.

(d) An affidavit recorded under subsection (c) must cross reference the lien.

As added by P.L.135-2007, SEC.3. Amended by P.L.167-2009, SEC.4.