MY CLIENT HAS BEEN APPOINTED RECEIVER, NOW WHAT?

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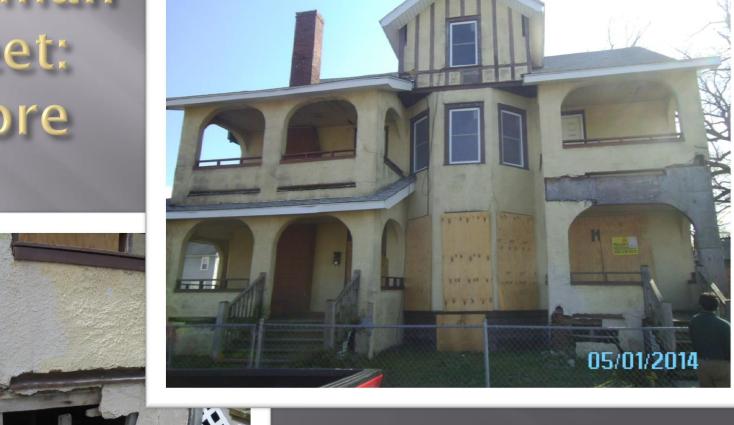
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Read the Order!!!



- This Order includes all the required steps to get this receivership off the ground and runningtitle examination, recording the order, insurance, posting the property, reports, etc.
- It also includes deadlines for filing the Receiver's Motion to Approve the Rehab Plan and first Receiver's Report as well as a due date to provide proof of insurance coverage to the Court.

5tockman Street: Before



560 Stockman Street: After



Title Examination

- The Order appointing Receiver requires the Receiver to conduct a title examination and send a copy of the Order to all mortgagees and lienors of record.
 - Get it done early!
 - Make sure the Defendant owner's name matches the deed
 - Serve the Order on the parties as required
 - Proper notice
 - What if I encounter an Ibanaez issue or a title defect



Taxes

- The Order Appointing Receiver also requires that the Receiver determine what outstanding real estate taxes are due
- Include tax information in the first report
- Municipal liens have priority over the Receiver's lien
- Remember, interest continues to accrue on unpaid taxes and that balance can add up quickly

168 Redlands Street: Before



168 Redlands Street: After



Record the Order appointing Receiver

- The Order appointing Receiver must be recorded in the Registry of Deeds.
- "No such lien shall be effective unless recorded in the registry for the county in which the property is located." G. L. c. 111, s. 127I
- Record as soon as possible to protect your client's interests!
 - Request a certified copy of the order \$20.00 from the Clerk's Office
 - Record-\$75.00 at the Registry of Deeds.

Insurance

- Order requires that the receiver put general liability insurance in an amount consistent with industry standards on the property and casualty loss insurance
- The cost of insurance is part of your lien
- Protect your investment
- Order requires that you provide proof that the property is insured to the court



368 Roosevelt Ave: Before



368 Roosevelt Ave: After



Can the Receiver Borrow Money?

- YES, but before borrowing, consider not only the amount and interest rate but the timing for repayment
- "The receiver shall have full power to borrow funds and to grant security interests or liens on the affected property" G. L. c. 111, s. 127I.
- Best practice- file a Motion to Approve
 Borrowing the Funds before your client signs on the dotted line

Lead Paint Law Violations at the Property?

If lead paint abatement work is necessary or required, it should be included in the proposed rehabilitation plan for the court's consideration



Owner is deceased at the time of appointment?

- Check to see if an heir of the deceased owner filed a petition with the Probate Court in the county where the owner died or lived.
- If no probate filed, your client, as a creditor of the deceased owner, may have to file a petition with the probate court to establish intestacy and determine heirs
- If notice and service is not proper, a title issue may arise when you auction the property.
- It is always worth running the situation by the title insurance company you intend to use as they may have requirements involving the question of the owner before insurance would issue post-auction.