

TAX SALE TIMES

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April 2014

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TSR INFORMATION

FLORIDA UPDATE:

St. Johns County will be holding a LIVE tax sale auction this year instead of the historical online auction. Please contact support@taxsaleresources.com for more information.

FROM THE TOP



I had the opportunity to attend the 2014 NTLA (National Tax Lien Association) Conference in Miami Beach, Florida February 26th-28th.

For those of you that didn't have the opportunity to attend this year, I recommend checking it out next year. Professionals and businesses from all across the tax sale industry come together at the NTLA conference. There are extremely informative sessions for attendees. Examples include Acquisition Pitfalls, Anti-trust Education, Portfolio Management, and more. There are also many networking opportunities throughout the conference.

The NTLA does a nice job of bringing education, information, application, and people together in order to continue building the tax sale industry.

For more information about the NTLA and upcoming events, please visit <http://www.thentla.com/>.



Good luck with all your investment ventures!

Best regards,

Brian Seidensticker

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CHECK OUT THESE STATES



ALABAMA

- Alabama is a tax lien state.
- Tax sales start at the end of March (Shelby County) and continue through May.
- There are only live tax sales in this state.
- There is a 12% interest rate.
- The redemption period is three years.
- If the lien is not redeemed within the redemption period, the tax lien certificate may be exchanged for the deed to the property.
- The bidding procedure is bid up/premium.

MARYLAND

- Maryland is a tax lien state.
- There are live and online tax sales in this state.
- The redemption period is six months.
- Specific bidding procedures and interest rates vary by county. Although, the one consistent bidding procedure is that every county is bid up/premium.



- Louisiana: May-June
- Iowa: June
- Nevada: May
- Utah: May
- Arkansas: Late spring-early summer

UPCOMING SALES

These states have sales coming up later this spring. For more information, please visit our website at www.taxsaleresources.com!

- Maryland: May-June
- New Jersey: May-June
- Florida (lien tax sales): May-June

CALENDAR

Remember to check out TSR's nationwide calendar! [CLICK HERE](#)

2	3 Adams County Nebraska 9:30 AM Washington County Nebraska 9:00 AM	4 Baldwin County Georgia 10:00 AM Adams County Nebraska 9:30 AM	5 Middle Township (Cape May) New Jersey 9:00 AM Hamilton Township (Atlantic) New Jersey 10:00 AM	6 Hillsborough County Florida 10:00 AM Kings County California 8:00 AM	7 Kings County California 8:00 AM Adams County Nebraska 9:30 AM	8 Kings County California 8:00 AM Fresno County California 8:00 AM
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INDUSTRY NEWS



As most investors know, the tax lien and tax deed industry is continually changing. It's also talked about repeatedly in newspapers across the country. TSR attempts to stay as connected as possible to these changes so that we can better assist investors with their needs. We have come across several very interesting articles this month. You will find articles concerning legislation, conferences, debates, and much more. If you find something we should be keying into, please do not hesitate to contact us with your suggestion(s). We would be happy to include the article(s) in an upcoming issue of the Tax Sale Times!

* Please click on the following links and note the sources.

[CLICK HERE](#)

- March 31, 2014
- U.S. Tax Lien Industry Worth Billions

[CLICK HERE](#)

- March 30, 2014
- County nets \$1M in delinquent taxes through state refunds

[CLICK HERE](#)

- March 28, 2014
- SL County to revise its approach to some tax sales

[CLICK HERE](#)

- March 25, 2014
- Judge orders prison for participant in rigged Madison County tax lien sales

[CLICK HERE](#)

- March 19, 2014
- National Tax Lien Association Announces 2014 President and Officers

[CLICK HERE](#)

- March 18, 2014
- Jack Evans's campaign has an interest in 'tax lien folk'

[CLICK HERE](#)

- March 18, 2014
- Groundbreaking protections proposed for D.C. homeowners behind on taxes

[CLICK HERE](#)

- March 13, 2014
- NAACP Legal Defense Fund calls on Cuyahoga County to suspend tax lien sales

[CLICK HERE](#)

- March 3, 2014
- Property may be seized to pay taxes

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2013 – THE YEAR IN REVIEW: COLORADO & NEW JERSEY TAX LIEN SALE RESULTS AND PROJECTIONS (PART I)

By: Frank Natale, CEO, VADAR Systems, Inc.

Greetings tax lien colleagues! We will be doing this article in two parts. The second installment will follow next month. At the end of February 2014, I gave a presentation on tax lien sale results at the annual NTLA conference in Miami. We specifically looked at results and projections for 2013 lien sales in both Colorado and New Jersey. I strongly believe that there are some items of interest here for everyone. Whether you are a seasoned “tax lien veteran” or a “tax lien newbie,” this type of industry information can offer value to you.

- COLORADO -

The Sale Process: Before we dive into some of the numbers and sales results, I think it makes sense to first review the sale process that is specific to Colorado:

1. Once liens are sold, the liens accrue at a 10% fixed interest rate per annum (this is per statute: the rate is 9% plus the federal discount rate [.75%] rounded to the nearest whole percent). Please note that tax lien interest is always “simple” interest and not compounding interest.
2. Colorado is an “overbid state” – there are “premiums” that are often paid over and above the face value of the lien itself. These premiums do not accrue interest. These premiums are NOT recoverable. You do not receive your premiums back upon redemption of the lien. Paying these premiums to acquire liens is a sunk “cost of doing business.”

Denver & Weld County Sale Results: We looked at the summary results for both Denver and Weld counties.

Denver: A total of 1,809 sold liens were analyzed. The total lien pool was \$4,533,901. However, in addition, the buyers of these liens had to pay a premium of \$309,882 (or 6.83%) to acquire these liens. The total purchase price (cash paid) was therefore \$4,843,783 or 106.83% of the lien pool itself.

Weld: Interestingly, Weld had very similar results from a premium perspective. In Weld, a total of 2,652 sold liens were analyzed. The total lien pool was \$1,964,237. However, in addition, the buyers of these liens had to pay a premium of \$118,993 (or 6.06%) to acquire these liens. The total purchase price (cash paid) was therefore \$2,083,230 or 106.06% of the lien pool itself.

Combined, the two counties totaled 4,461 sold liens with a lien pool of \$6,498,138, a 6.60% premium of \$428,875 and a combined purchase price of \$6,927,013.

I was a bit surprised that both counties had premiums of more than 6% (and an aggregate premium of 6.60%) - especially given that the statutory interest rate is set at only 10% per annum.

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2013 – THE YEAR IN REVIEW: COLORADO & NEW JERSEY TAX LIEN SALE RESULTS AND PROJECTIONS (PART I)...CONTINUED

By: Frank Natale, CEO, VADAR Systems, Inc.

This being the case, I decided to take a quick look at some other Colorado sale results to determine if this was an anomaly or a trend. Teller County had a 7.14% premium; Alamosa County was a 6.52% premium; and Pueblo County was at 4.75%.

One of the other presenters at the NTLA conference was on an “acquisitions panel” and he had mentioned that “premiums in Colorado were on the rise ...” This statement was most certainly confirmed in the number analysis as well.

Denver & Weld – Some Projections: Now that we know the sale results the question becomes, “What does this really tell us?” Put into other words – how would we expect these portfolios to perform given these known parameters?

One very simple way to look at it would be to assume that everything (all liens) redeemed after only one year. We know that this is not how typical lien portfolios “behave,” but we need to start somewhere to get an idea of what type of yields or returns we might expect. Assuming full redemption after only one year, we would receive \$453,390 (10% of the lien amount) in interest for our Denver portfolio. However, we must now account for the premiums paid and subtract \$309,882 from our interest received. This equates to a net gain (“asset profit”) of \$143,508 or 3.17% of the lien amount. This makes perfect sense since the buyers paid a premium of 6.83% which leaves only 3.17% of the 10% interest left over as net “asset profit.” This \$143,508 net gain equates to a yield of 2.96% (the ROI on the total purchase price which includes both the premium and the lien amount).

Assuming full redemption after one year in Weld leads to similar results. The net gain in Weld would be \$77,430 or a 3.72% yield (ROI on total investment).

Pushing out our redemption parameters to allow for a two year redemption period, we do see some significant changes to the yield calculations. Assuming full redemption after two years, the Denver yield jumps to 6.16% (annualized) and in Weld to 6.57% (annualized). The presenter on the Colorado acquisition panel had also mentioned that “quick redemptions in Colorado tend to hurt yields while slower payoffs tend to increase yields.” Once again, we see this born out explicitly in the numbers themselves.

Understanding that lien portfolios don’t just wait to payoff all at once, I decided to employ some more complex Internal Rate of Return (IRR) analysis which accommodates for dynamic cash flow patterns. Assuming partial portfolio redemptions at regular intervals (every six months) over two years we see IRR yields for Denver at 4.15% IRR and Weld at 4.75% IRR. These IRR yields probably bring us much closer to the truth of what some potential yields on these two entire portfolios might be over a two year time horizon.

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2013 – THE YEAR IN REVIEW: COLORADO & NEW JERSEY TAX LIEN SALE RESULTS AND PROJECTIONS (PART I)...CONTINUED

By: Frank Natale, CEO, VADAR Systems, Inc.

Denver Conclusions: Given the impact that these “non-recoverable premiums” have on the portfolios, it is easy to see that “quick pay redemptions” for Colorado produce lower yields and IRR’s while “slower pay redemptions” produce better yields and IRR’s. This makes sense as the accruing interest needs time to “win back” the sunk cost of the premiums required to purchase the liens in the first place. From a pure, dynamic cash flow perspective, we are looking at projected IRR yields probably approaching 5% for both portfolios over time. Next month we will take a look at New Jersey – a very different type of lien state with a much different sales process and different portfolio variables.

About the Author: Frank Natale is CEO & Chairman of VADAR Systems, Inc., a national provider of software and consulting services for tax lien portfolios. Mr. Natale and his company have assisted clients for the last 18 years in managing and collecting more than \$1 Billion dollars in tax liens across 18 states. Please feel free to contact him at frank-natale@vadarsystems.com to learn more about how VADAR can help you!



TSR BLOG HIGHLIGHT A Guide to Tennessee Tax Sales

The state of Tennessee sells redeemable deeds. The office of the county trustee handles tax sales in Tennessee. In larger counties, tax sales may be held throughout the year. The minimum bid is the total amount of taxes owed plus fees associated with the sale. The property is sold to the highest bidder. Full payment is required within 24 hours of the sale by cash, money order, or cashier’s check. Some counties will also accept personal checks. If payment is not made in the allotted time, legal action may be taken by the county against the bidder.

Once the sale is confirmed, the purchaser may request a deed from the Chancery Court Clerk Master. The confirmation date is typically 30 to 45 days after the date of the sale. Some counties require you to wait for the redemption period to end before issuing a deed. There is a one year right of redemption. The redemption amount is the amount bid at the sale plus interest (10% per annum). In addition, the court may award reimbursement for costs of maintaining the property during the purchaser’s ownership. Properties that are not purchased are bought by the county. If property bought by the county is not redeemed, it will then be added to the surplus property inventory at the end of the redemption period. At that time, the county trustee’s office may conduct a surplus property sale.

Please visit <http://thetaxsaleresource.wordpress.com/> to read the rest of TSR’s Blog!

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FLORIDA TAX LIEN SALES

The Florida tax lien sale season is fast approaching! These sales continually prove to be the largest lien buying pool across the country with an advertised tax lien list reaching as big as 55K in Miami-Dade. Of course, TSR will be offering data-appended premium lists as well as CDD (Community Development District) and Lien History available by request.

County	2014 Pricing	County	2014 Pricing	County	2014 Pricing
Alachua	\$440.00	Gilchrist	\$110.00	Madison	\$110.00
Baker	\$110.00	Glades	\$110.00	Manatee	\$550.00
Bay	\$110.00	Gulf	\$110.00	Marion	\$550.00
Bradford	\$110.00	Hamilton	\$110.00	Martin	\$330.00
Brevard	\$550.00	Hardee	\$110.00	Miami-Dade	\$550.00
Broward	\$550.00	Hendry	\$330.00	Monroe	\$220.00
Calhoun	\$110.00	Hernando	\$550.00	Nassau	\$110.00
Charlotte	\$550.00	Highlands	\$550.00	Okaloosa	\$330.00
Citrus	\$550.00	Hillsborough	\$550.00	Okeechobee	\$330.00
Clay	\$330.00	Holmes	\$275.00	Orange	\$550.00
Collier	\$550.00	Indian River	\$550.00	Osceola	\$550.00
Columbia	\$220.00	Jackson	\$110.00	Palm Beach	\$550.00
Desoto	\$110.00	Jefferson	\$110.00	Pasco	\$550.00
Dixie	\$110.00	Lafayette	\$55.00	Pinellas	\$550.00
Duval	\$550.00	Lake	\$550.00	Polk	\$550.00
Escambia	\$550.00	Lee	\$550.00	Putnam	\$550.00
Flagler	\$330.00	Leon	\$550.00	Saint Johns	\$330.00
Franklin	\$110.00	Levy	\$220.00	Saint Lucie	\$550.00
Gadsden	\$110.00	Liberty	\$55.00	Santa Rosa	\$110.00

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FLORIDA TAX LIEN SALES...CONTINUED

County	2014 Pricing
Sarasota	\$550.00
Seminole	\$550.00
Sumter	\$110.00
Suwannee	\$275.00
Taylor	\$110.00
Union	\$110.00
Volusia	\$550.00
Wakulla	\$110.00
Walton	\$110.00
Washington	\$110.00

These counties are now set for sale and available for pre-purchase. All counties are scheduled with a *temporary* sale date of 6/30 and will be updated as we receive confirmation of the final dates. Please note, we cannot produce a list until the advertised or online sale list is released.

CDD and Lien History pricing varies by county and the total number of counties purchased. Please contact us at support@taxsaleresources.com or contact your Customer Sales Representative for direct quotes.

TSR has also found out which counties will be allowing sub-accounts this year. As any seasoned Florida investor understands, this is an ever-evolving development in the counties across this state and has been for the last two years. Currently, TSR has found that the following counties will be offering sub-accounts in 2014 (as of publication time):

- Alachua • Hernando • Manatee • Osceola • St. Lucie
- Gadsen • Highlands • Miami-Dade • Pasco • Sumter
- Hendry • Indian River • Okaloosa • Polk • Suwanee

The following counties have responded to our requests, but are still undecided. We hope to bring you a final update in the May Tax Sale Times:

- Brevard • Clay • Flagler • Okeechobee
- Charlotte • Duval • Nassau • Pinellas



For more information, please visit the Florida home page at http://www.taxsaleresources.com/NewsAndUpdate.aspx?state_id=11 or contact us by email at support@taxsaleresources.com!

RESULTS FROM THE ARIZONA ONLINE TAX LIEN SALES

By: Joanne Musa

Arizona is one of the most popular states for online tax sales. Here are the results of some of the Arizona online tax lien sales.

Maricopa County is one of the largest and heavily attended online tax sales. In 2010, there were over 40,000 liens advertised for sale. However, the number of liens available has been dwindling down each year since. This year there were only about half as many advertised certificates as there were in 2010.

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RESULTS FROM THE ARIZONA ONLINE TAX LIEN SALES...CONTINUED

By: Joanne Musa

The weighted average for the winning bid for all batches in 2010 was 8.6% and only 3.8% for this year. Some bids were even won at 0%. Some counties enforced a “Single Simultaneous Bidding Entity Rule,” which prevented entities from bidding multiple times or even spouses bidding in the same tax sale if they filed a joint tax return.

Apache County has a much smaller online tax sale with only one third the amount of advertised liens as Maricopa and even fewer bidders. The weighted average winning bid was much higher than in Maricopa – over 11%. Mohave County had a few more advertised liens for sale than Maricopa, but not as many bidders. The weighted average winning bid in Mohave for all batches was a little over 9.8%.

Pinal, Coconino, and Yavapai counties also held online tax sales. All three of these counties enforced the “Single Simultaneous Bidding Entity Rule” in the hopes that it would even the playing field between all of the institutional investors and individual investors. You have to pay very close attention to this rule because not only does it prevent entities from registering multiple bidding numbers, it also prevents spouses from bidding at the same tax sale if they file a joint tax return. It also prevents someone from bidding with a business name and his or her own name. Coconino and Pinal do not have their tax sale results readily available online, but Yavapai County does. Yavapai County had less than 4,000 properties advertised in the tax sale and just a little over 2,500 sold. There were 39 certificates sold at 0% and 351 sold at 16%. The average interest rate was 7.69% and the weighted average interest rate was 5.86%.

To learn more, please visit <http://taxlieninvestingtips.com/>.

About the Author: Joanne Musa is the owner and founder of <http://www.TaxLienLady.com/> and is known as the most trusted authority on tax lien investing in America. She has taught thousands of people around the world how to profit from tax delinquent properties in the U.S.

NEED HELP?

TSR’s team is constantly gathering information and updating its tax sale database to ensure successful investing opportunities. If we do not have the county available or the specific information you are looking for, please contact us at support@taxsaleresources.com. It is our mission to bring investors the data they need for successful tax sale investing.