

# Receivership Outline

## Qualified Property

### IDENTIFY THE QUALIFIED PROPERTY FOR RECEIVERSHIP:

- Failed to Comply under 160A-429 with the Inspector's Order to Repair or Demolish
- Fail to Comply with an ordinance of the Greensboro Minimum Housing Standards Commission for residential or non-residential structures

## Petition for Appointment

### PETITION MUST CONTAIN:

- Notice of Violation or Order Issued by the City
- Verification that the required minimum building code violations has not been corrected
- Names of respondents, which are owners on register of deeds, mortgagee, and parties of interest in 160A-442(5)

## Notice of Proceedings

### NOTICE TO PROPERTY OWNER(S) AND RESPONDENTS BY THE CITY

- Within 10 days after filing, the City gives notice to the pendency and nature of proceeding to all in 160A-442(5) by certified and regular mail.
- Within 30 days of the date on which the notice is mailed, the respondents may intervene to be appointed as the receiver.

## Appointment of QUALIFIED Receiver

### APPOINTEMENT OF QUALIFIED RECEIVER ACCORDING TO THE GENERAL STATUTE

- Qualified Receivers may be appointed if in compliance with N.C.G.S 160A-439.1 (b &c)
- Qualifications of a Receiver must demonstrate:
  - Financial Ability to complete the purchase or rehabilitation of the property;
  - The knowledge of, or experience in, the rehabilitation of vacant real property;
  - The ability to obtain any necessary insurance; and
  - The absence of any building code violations issued by the city on other real property owned by the person or any member, principal, officer, major stock holder, parent, subsidiary, predecessor, or others affiliated with the person or the person's business.

## Appointment of NON-QUALIFIED Receiver

### APPOINTEMENT OF NON-QUALIFIED RECEIVER BY THE COURTS

- Court may appoint a respondent if that person demonstrates the ability to complete the rehab or demo within a reasonable time, agrees to comply with a specified schedule, and post a bond in an amount determined by the court for the performance of required work.
- Court shall require the person to report progress to the court
- If the Greensboro Minimum Housing Standards Commission believes the person is not proceeding with due diligence or in compliance, they may apply for immediate revocation and appointment of a qualified receiver
- If court revokes the appointment and appoints a qualified receiver, the bond applies to receiver's expenses



## Receiver Authority Exclusive

### RECEIVER'S AUTHORITY EXCLUSIVE BY THE COURTS

- Receiver shall have right of possession with authority to:
  - Contract for necessary labor supplies
  - Borrow money from lender and use lien against the property as security
  - Manage the property and pay operational expenses including taxes, insurance, utilities, maintenance, and debt
  - Collect all rents and income from the property, used to pay current operating expenses, repayment of expenses
  - Foreclose on the receiver's lien or accept a deed in lieu of foreclosure



## Receiver's Authority to Sell

### RECEIVER'S COURT AUTHORITY TO SELL THE PROPERTY

- If appointed by the Court to sell, the receiver shall:
  - Sell to the highest bidder at public sale, following Article 2A of Chapter 45 of General Statute
  - Sell the property privately for fair market value if no party to the receivership objects to the amount and procedure
- Prior to sale, public sale bid or private sale proposed buyer must demonstrate ability and experience to rehab within a reasonable time.
- Any proceeds remaining after applying taxes, assessments, lien, city's costs, remainder goes to property owner.



## Receiver Authority to Foreclose on Lien

### RECEIVER'S AUTHORITY TO FORECLOSE ON LIEN

- May foreclose by selling the property at a public sale
- Proceeds of sale applies to taxes, assessments, liens in order of priority
- In lieu of foreclosure, owner may pay cost or transfer property to the receiver or a third party sale with agreed upon cost at fair market value



## Deed After Sale

### DEED AFTER SALE

- After Court's ratification of sale, receiver signs deed conveying title, free and clear, other than restrictions that run with the land. Proceeds of sale applies to taxes, assessments, liens in order of priority
- Upon the sale, receiver shall file a final accounting with the court and a motion to dismiss the action.



## Receiver's Tenure

### RECEIVER'S TENURE BY THE COURTS

- Tenure is no longer than 2 years after rehab, demo, or sale of property Upon the sale, receiver shall file a final accounting with the court and a motion to dismiss the action.
- After 2 years, any party to the receivership may file a motion to dismiss the receiver upon payment of the receiver's cost, fees, and expenses.
- Upon expiration of receiver's tenure, the receiver shall file a final accounting with the court.