2026

HOA Lien Foreclosure Report

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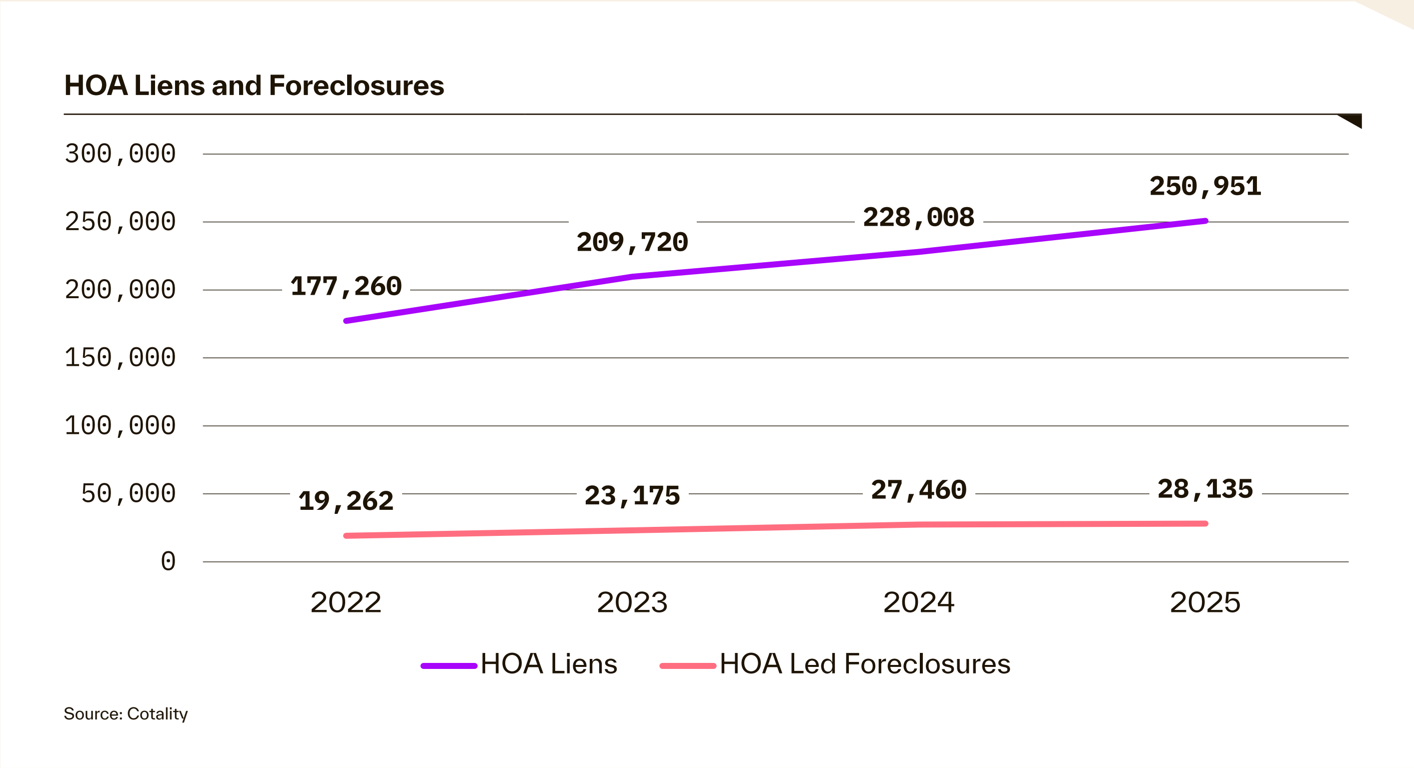
What's happening with HOA liens and HOA foreclosure filings?



HOA delinquencies measured by both liens and foreclosures filed are experiencing a substantial upward surge across the United States.

- Exploding Lien Volumes: Total HOA liens in the US jumped from 177,260 in 2022 to 250,951 in 2025. This represents a 41.7% increase over a three-year period, with a 10.1% spike coming just between 2024 and 2025.
- Surging Foreclosure Filings: HOA foreclosure filings rose sharply from 19,262 in 2022 to 28,135 in 2025—a 46.1% increase. While foreclosure filings volumes plateaued slightly between 2024 (27,460) and 2025 (28,135), they remain at historically high levels.
- The percent of HOA liens that result in a foreclosure filing has stayed remarkably consistent over the four years of this data set.

10.9%
2022

11.1%
2023

12.0%
2024

11.2%
2025

What is driving the increase of HOA liens?

From a foundational economic perspective, HOA liens are lagging indicators of two factors: declining household liquidity and increasing HOA operational costs. Borrowers tend to view HOA dues as a lesser obligation than mortgages and utilities. When inflation or unemployment squeezes a homeowner's disposable income, they prioritize bills based on perceived severity of the consequences. The mortgage gets paid first to prevent bank foreclosure; utilities get paid next to keep the lights on. Because homeowners often mistakenly view HOA dues as a secondary or less enforceable obligation, the HOA fees can remain unpaid in a distressed household budget.

HOAs must pass along their increased costs. Unlike large corporations that can absorb down years, an HOA is a pass-through entity with a mandatory zero-sum budget. If the cost of maintaining the community rises (due to inflation, vendor costs, or macro-economic pressures), the association must immediately bridge the gap. They have only two mechanisms to do this: raising recurring monthly dues or levying sudden lump-sum special assessments. Special assessments have been particularly significant in states like Florida and put significant strain on property owners.

The surge in HOA liens and HOA foreclosure filings from 2022 to 2025 are a function of a post-COVID unwind in excess household liquidity combined with a step-function increase in HOA operating and capital costs. Now let's prioritize those states that represent the highest risk to mortgage servicers.

What states represent the greatest risk to mortgage servicers because of HOA delinquencies?

The level of risk a state poses to a servicer is dictated by two legal mechanisms:

1. **Lien Priority (Super Lien vs. Non-Super Lien):** In a "Super Lien" state, an HOA's lien can take priority over a first mortgage, meaning an HOA foreclosure can completely extinguish the servicer's collateral. In a "Non-Super Lien" state, the first mortgage is legally protected and survives an HOA foreclosure. It is important to note that the term "super lien" is fluid and varies from jurisdiction to jurisdiction, depending upon the applicable statutes.

2. **Foreclosure Method (Judicial vs. Non-Judicial):** Non-judicial foreclosures happen entirely outside of court, allowing the HOA to seize or auction a property incredibly fast with minimal warning. Judicial foreclosures require a lawsuit, which provides a natural speed buffer and legal notification to the servicer.

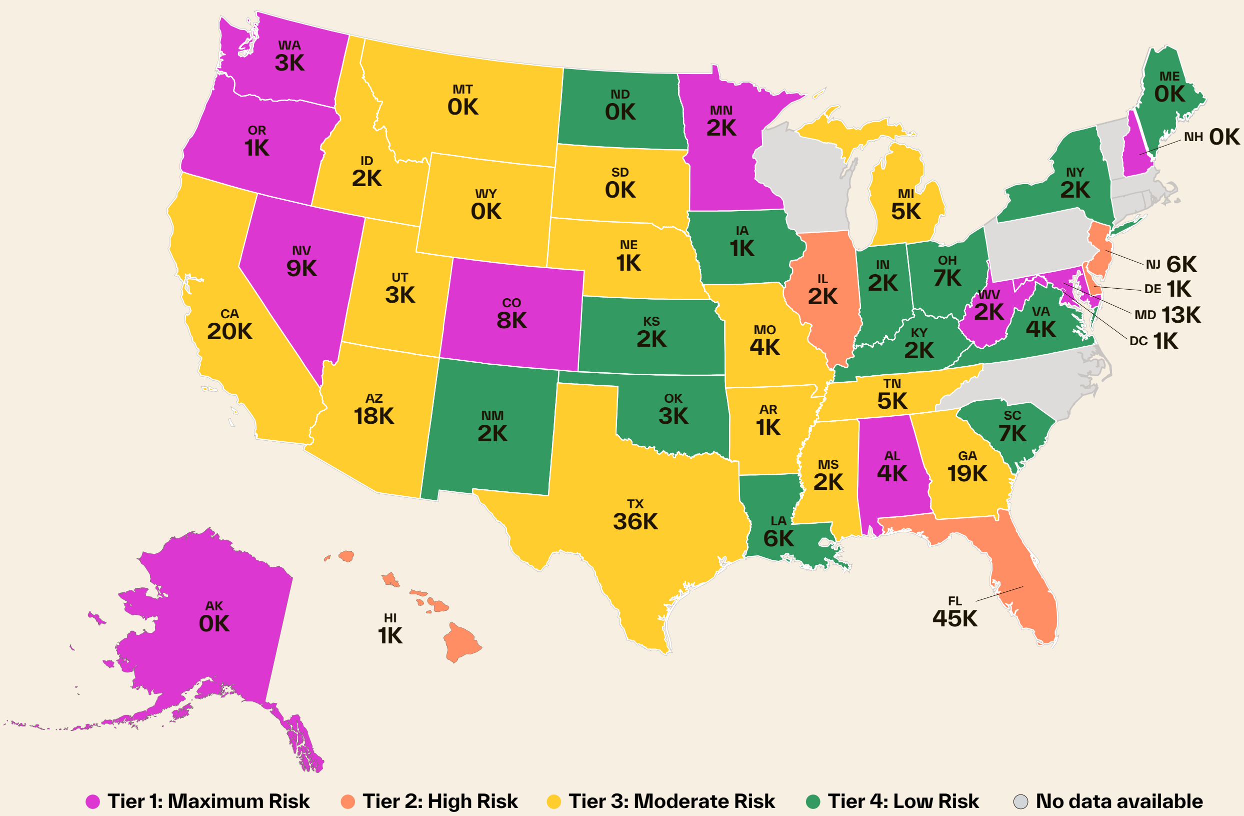
Given the logic above we can create 4 tiers of relative risk, which are defined in the 2 x 2 matrix below and applied in the following charts.

	Non-Judicial Foreclosure	**Judicial Foreclosure**
Super Lien	Tier 1: Maximum Risk	Tier 2: High Risk
Non-Super Lien	Tier 3: Moderate Risk	Tier 4: Low Risk

HOA lien growth over 2022 through 2025 by state

The chart below shows 2022, 2023, 2024, and 2025 HOA liens by state. The states are color coded to fit into the 4 risk tiers defined above. Please note the following 7 states are missing because HOA liens are not filed at county land records office: CT, MA, NC, PA, RI, WI, VT. The chart is presented in descending order sort by number of 2025 HOA liens.

Lien Growth by State | 2025 Liens



State	2022 Liens	2023 Liens	2024 Liens	2025 Liens	25 vs 22 % Growth
FL	28,829	35,974	40,803	45,025	56.2%
TX	24,785	34,409	34,735	36,194	46.0%
CA	11,510	14,620	16,882	19,504	69.5%
GA	13,651	15,594	18,579	18,512	35.6%
AZ	12,699	14,907	16,804	17,679	39.2%
MD	9,472	9,501	10,626	13,456	42.1%
NV	7,426	7,999	8,609	9,151	23.2%
CO	6,655	4,312	4,567	7,968	19.7%
SC	4,860	5,535	6,380	6,873	41.4%
OH	5,771	7,037	7,040	6,577	14.0%
NJ	4,191	4,606	5,578	6,030	43.9%
LA	1,434	1,478	1,967	5,767	302.2%
TN	6,691	4,530	5,095	5,398	-19.3%
MI	3,204	4,165	4,820	4,743	48.0%
MO	4,365	5,806	4,679	4,045	-7.3%
VA	2,915	3,186	4,275	4,004	37.4%
AL	2,126	2,684	3,455	3,708	74.4%
OK	2,449	3,224	2,929	3,418	39.6%
WA	2,806	2,674	2,460	3,063	9.2%
UT	1,800	2,529	2,618	2,749	52.7%
IN	1,653	2,636	2,487	2,486	50.4%
MS	2,028	1,939	1,940	2,250	10.9%
ID	1,545	1,713	1,819	2,133	38.1%

State	2022 Liens	2023 Liens	2024 Liens	2025 Liens	25 vs 22 % Growth
IL	1,511	1,868	1,994	1,885	24.8%
MN	983	1,478	1,400	1,854	88.6%
NM	1,707	2,052	1,912	1,743	2.1%
KY	1,099	1,369	1,701	1,710	55.6%
NY	1,391	1,592	2,023	1,692	21.6%
WV	863	1,586	1,303	1,686	95.4%
KS	1,189	1,558	1,319	1,642	38.1%
HI	1,129	1,415	1,636	1,428	26.5%
AR	942	1,048	884	1,275	35.4%
OR	770	1,010	1,042	1,273	65.3%
NE	821	875	818	922	12.3%
IA	428	757	745	689	61.0%
DC	445	465	438	616	38.4%
DE	480	478	491	570	18.8%
MT	282	471	496	488	73.0%
NH	159	243	243	268	68.6%
ME	73	122	116	213	191.8%
WY	75	88	168	124	65.3%
AK	28	101	109	101	260.7%
ND	19	86	23	35	84.2%
SD	1			4	300.0%
US Total	**177,260**	**209,720**	**228,008**	**250,951**	**41.7%**

Some key observations.

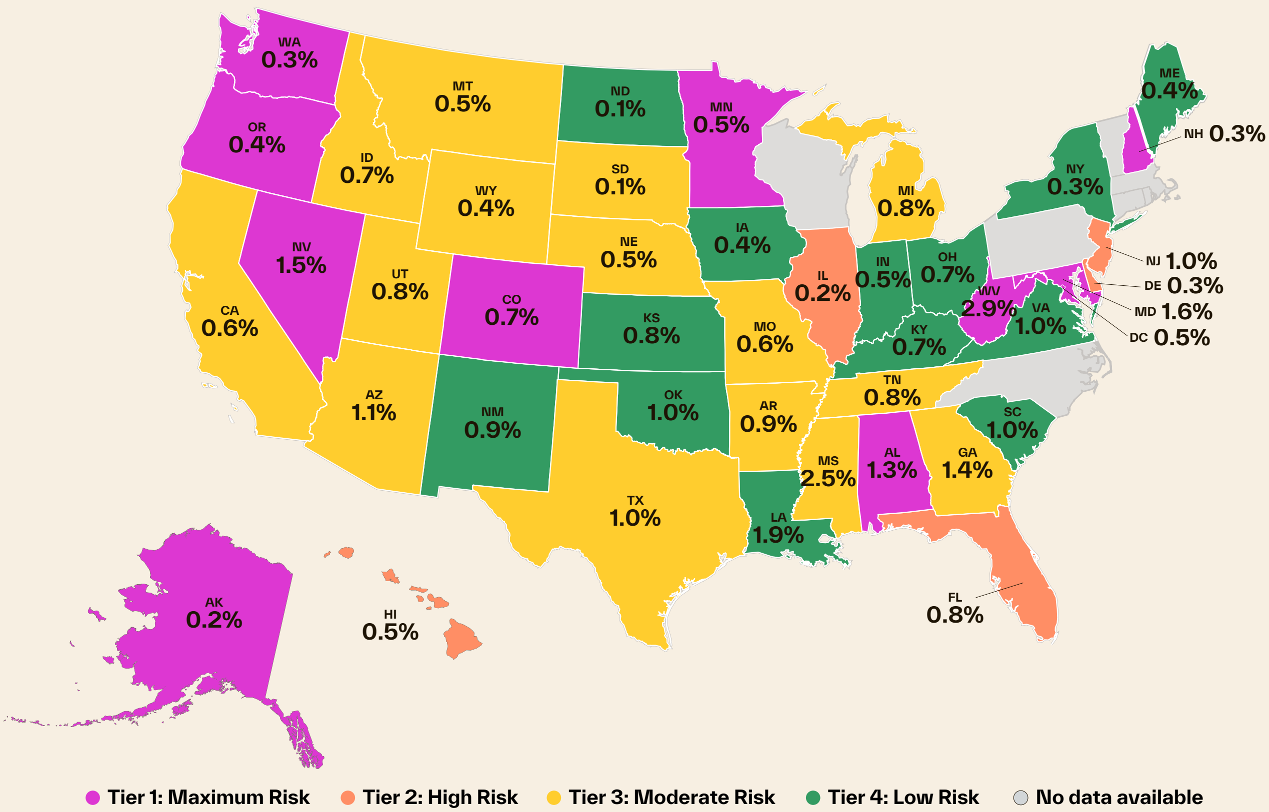
- The top five states — FL, TX, CA, GA, and AZ — all show significant increases in HOA liens ranging from GA at 35.6% to CA at 69.5%, compared to the US overall at 41.7% over the same period. Most critically, Florida — the number one state in terms of the number of HOA Liens — is also a super lien state.
- In terms of percentage increase over 2022 to 2025, Louisiana shows the highest rate of 302.2%. AK and ME also showed triple digit percentage increases, albeit on smaller absolute numbers of HOA liens.
- Only two states, Missouri and Tennessee, showed a decrease in HOA liens over this period.
- The highest states in Tier 1 — special lien states with non-judicial foreclosures — are MD, NV, and CO.

For more information, visit Cotality.com or call (866) 774-3282.

2025 HOA Foreclosure Filings, HOA Liens, and HOA Counts

Now let's look at HOA-driven foreclosure filings in relation to HOA liens and HOA counts.

Foreclosure Filings by State | Liens/HOA Counts



State	HOA Count	2025 Liens	Liens/HOA Counts	2025 HOA Foreclosure Filings	Enforcement Rate (HOA Filings/HOA Liens)	12 Month HPI Change
FL	5,446,399	45,025	0.8%	9,531	21.2%	-2.3%
TX	3,625,524	36,194	1.0%	5,142	14.2%	-1.3%
NV	608,390	9,151	1.5%	3,661	40.0%	0.6%
CA	3,416,259	19,504	0.6%	3,404	17.5%	-0.3%
AZ	1,592,193	17,679	1.1%	1,998	11.3%	2.5%
MN	351,044	1,854	0.5%	880	47.5%	2.6%
NY	512,247	1,692	0.3%	477	28.2%	3.6%
MS	89,186	2,250	2.5%	474	21.1%	2.0%

2025 HOA Foreclosure Filings, HOA Liens, And HOA Counts *(continued)*

State	HOA Count	2025 Liens	Liens/HOA Counts	2025 HOA Foreclosure Filings	Enforcement Rate (HOA Filings/HOA Liens)	12 Month HPI Change
UT	354,087	2,749	0.8%	319	11.6%	-0.5%
WA	886,070	3,063	0.3%	276	9.0%	0.3%
NJ	600,212	6,030	1.0%	228	3.8%	4.9%
HI	269,055	1,428	0.5%	203	14.2%	-0.6%
MI	586,056	4,743	0.8%	186	3.9%	3.6%
OR	320,571	1,273	0.4%	172	13.5%	-0.2%
IL	1,151,889	1,885	0.2%	119	6.3%	5.4%
KY	245,134	1,710	0.7%	112	6.5%	2.8%
OK	347,670	3,418	1.0%	99	2.9%	2.1%
CO	1,072,988	7,968	0.7%	89	1.1%	-1.1%
AR	135,909	1,275	0.9%	73	5.7%	-0.4%
GA	1,347,031	18,512	1.4%	71	0.4%	0.6%
AL	296,361	3,708	1.3%	43	1.2%	3.4%
IA	160,933	689	0.4%	41	6.0%	2.1%
TN	658,035	5,398	0.8%	36	0.7%	1.2%
MO	627,404	4,045	0.6%	30	0.7%	2.1%
LA	298,858	5,767	1.9%	30	0.5%	0.8%
NM	191,691	1,743	0.9%	29	1.7%	1.5%
AK	65,482	101	0.2%	27	26.7%	0.9%
IN	509,571	2,486	0.5%	20	0.8%	3.2%
MD	817,926	13,456	1.6%	19	0.1%	0.8%
DC	119,356	616	0.5%	18	2.9%	-0.5%
SC	654,709	6,873	1.0%	11	0.2%	1.7%
NH	93,923	268	0.3%	10	3.7%	1.9%
OH	889,316	6,577	0.7%	10	0.2%	3.5%
ID	320,171	2,133	0.7%	9	0.4%	1.4%
NE	177,478	922	0.5%	6	0.7%	5.2%
VA	420,156	4,004	1.0%	5	0.1%	0.9%
DE	221,964	570	0.3%	4	0.7%	2.1%
ME	52,002	213	0.4%	3	1.4%	1.7%
MT	108,416	488	0.5%	2	0.4%	-0.4%
WV	58,297	1,686	2.9%	2	0.1%	4.0%
WY	33,742	124	0.4%	1	0.8%	7.1%
KS	203,051	1,642	0.8%	-	0.0%	4.4%
ND	37,527	35	0.1%	-	0.0%	4.0%
SD	3,392	4	0.1%	-	0.0%	-1.2%
US Total	**29,977,675**	**250,951**	**0.8%**	**27,870**	**11.1%**	**1.0%**

The previous chart includes HOA foreclosure filings, HOA liens, and total HOA counts, as well as equity change over 2025 as measured by the HPI index. Some key observations:

- The top five states in terms of HOA-driven foreclosures are FL, TX, NV, CA, and AZ. Collectively they represent 23,736 foreclosures which is 85.2% of the overall number of foreclosures in the U.S.
- Of these five states, three of these states — FL, TX, and CA — have declining home values, as represented by the one-year change in the HPI index over 2025. These three states represent 64.9% of the overall number of foreclosures in the U.S.
- Of particular note is Nevada which was 7th in the nation in terms of HOA liens, but is 3rd in terms of foreclosures. It is a super lien state with non-judicial foreclosure, which puts it in the highest risk tier.
- A second state that bubbles to the top in terms of risk to mortgage servicers is Minnesota. It is twenty fifth in the United States in terms of liens, but is sixth in terms of foreclosures. This is because it has the highest percent of HOA liens that wind up in foreclosure in the U.S, at 47.5%.

A Deep Dive into "Tier 1: Maximum Risk" States

A review of the table above will show that not all Tier 1: Maximum Risk States are created equal in terms of the percentage of HOA liens that turn into HOA foreclosure filings, which is termed in this report as "Enforcement Rate". Some states such as NV and MN convert a high percentage of HOA liens into actual HOA foreclosures, while in other states (like MD, WV, AL and CO) only a tiny percentage of HOA liens result in foreclosures. Conversion rates are driven by whether foreclosure is economically rational for the HOA and attractive to third party investors. The below state by state analysis explains the statutory drivers beyond high conversion rate and low conversion rate states.

Enforcement Rate -
Tier 1: Maximum Risk States
High conversion

Minnesota	47.5%
Nevada	40.0%

Enforcement Rate -
Tier 1: Maximum Risk States
Low conversion

Alabama	1.2%
Colorado	1.1%
Maryland	0.1%
West Virginia	0.1%

Minnesota (MN) — 47.5% Enforcement Rate

- **The Statutory Driver:** Under the Minnesota Common Interest Ownership Act (MCIOA), HOAs can execute a lien foreclosure via “foreclosure by advertisement.” This streamlined, out-of-court process mirrors standard mortgage foreclosures. Because the procedural hurdles are low and legal fees are fully shifted onto the delinquent homeowner, associations aggressively use this hammer to force faster resolutions.

Nevada (NV) — 40.0% Enforcement Rate

- **The Statutory Driver:** Nevada Revised Statute (NRS) 116.3116 grants a true 9-month super priority lien that entirely extinguishes the first mortgage at a non-judicial auction. Because third-party real estate investors intensely compete at these auctions to acquire unencumbered titles for pennies on the dollar, the market is highly liquid. HOAs move through default, intent-to-sell, and auction phases with systematic efficiency.

Alabama (AL) — 1.2% Enforcement Rate

- **The Statutory Driver:** Alabama allows non-judicial power-of-sale foreclosure and grants a 6-month super lien. However, Alabama features a lengthy post-sale statutory right of redemption, giving homeowners or lenders a window to buy the property back after an auction has concluded. This redemption cloud heavily suppresses third-party investor bidding at auctions, meaning HOAs rarely push the foreclosure track unless they plan to retain and manage the property themselves.

Colorado (CO) — 1.1% Enforcement Rate

- **The Statutory Driver:** Rewritten entirely by House Bill 22-1137, Colorado requires a formal, on-the-record HOA board vote for legal referrals, mandated repayment timelines, and $25,000 statutory fines against the HOA for minor procedural errors. While liens are still frequently filed to protect the HOA’s place in line, associations rarely risk crossing the finish line into an actual non-judicial sale.

Maryland (MD) — 0.1% Enforcement Rate

- **The Statutory Driver:** Despite generating a high raw volume of HOA liens, Maryland records almost zero foreclosures. Under the Maryland Contract Lien Act (MCLA), super lien priority is capped at the lesser of 4 months of assessments or $1,200, explicitly barring interest and attorney fees. Pushing an out-of-court sale costs more than the $1,200 recovered, eliminating all financial incentive to execute.

West Virginia (WV) — 0.1% Enforcement Rate

- **The Statutory Driver:** West Virginia utilizes a 6-month UCIOA super lien. However, standard monthly HOA dues across the state are low. The legal, title-search, and administrative fees required to execute a clean, non-judicial foreclosure auction regularly exceed the actual priority debt being recovered. HOAs use liens strictly as passive title clouds to get paid when the property eventually sells traditionally.

Conclusions: From Reactive Crisis Management to Proactive Asset Monitoring

The quantitative landscape of this report paints an unmistakable picture: residential mortgage servicers are facing structural shifts in risk management. Total HOA liens across the United States have exploded by 41.7% over a three-year period, jumping from 177,260 in 2022 to 250,951 in 2025. Concurrently, HOA foreclosure filings have surged by 46.1%. Driven by the compounding pressures of declining household liquidity and zero-sum HOA operational budgets forcing special assessments, homeowners are systematically deprioritizing their association obligations.

For years, the secondary mortgage market has viewed HOA delinquencies primarily through the lens of extreme collateral loss—the catastrophic "nuclear option" where a super lien could completely extinguish a first mortgage position. As this report highlights, while true mortgage extinguishment remains a probable threat in highly aggressive statutory environments like Nevada, it is a relatively rare statistical event across the broader national landscape.

The true, unaddressed crisis for mortgage servicers is not the rare total collateral erasure. It is the widespread operational tax and escalating overhead required to manage this rising tide of special liabilities across entire portfolios. Managing modern HOA delinquencies imposes severe financial and administrative friction on a servicer's bottom line across several distinct vectors:

- **Administrative Friction:** The extreme fragmentation of tens of thousands of individual homeowner associations makes localized tracking an operational nightmare. Relying on manual workflows leaves critical gaps in portfolio visibility.
- **REO Bottlenecks:** Left unmonitored, junior property liens stall the Real Estate Owned (REO) pipeline. Servicers face extensive delays and legal friction during the post-foreclosure title curative phase, driving up holding costs.
- **Unproductive Capital Allocations:** Even in jurisdictions where a first mortgage safely survives an HOA sale, servicers cannot afford to allow unmitigated defaults to cloud title or accumulate compounding penalties. Servicers are routinely forced to deploy millions of dollars in unrecoverable corporate and escrow advances to cure trailing delinquencies.
- **Investor and GSE Regulatory Compliance:** Failing to identify underlying liabilities that threaten equity positions exposes servicers to financial penalties, indemnification demands, and compensatory fees from GSEs and private investors.

The Path Forward: Automated Portfolio Surveillance

Servicers can no longer manage mounting operational strains and administrative blind spots through manual, reactive property tracking. The path forward requires a structural transition to an advanced, cloud-based platform like Portfolio Intelligence and Monitoring (PIM) from Cotality™. By deploying continuous portfolio surveillance through PIM, organizations replace tedious Excel filtering with daily, automated reviews of critical risk metrics across their entire national footprint.

PIM utilizes sophisticated algorithms to automatically source public recordation records, credit updates, and involuntary lien filings. This delivers clear visibility into active homeowner association delinquencies, property tax defaults, and pre-foreclosure tracking the moment changes occur. Furthermore, integrated Automated Valuation Models (AVMs) allow risk teams to dynamically calculate available equity from multiple distinct vantage points to accurately assess true liability exposure. This highly programmatic approach empowers servicers to spend less time on manual processes, significantly reduce administrative overhead, avoid investor penalties, and deploy capital strategically rather than reactively.

About Cotality

Cotality accelerates data, insights and workflows across the property ecosystem to enable industry professionals to surpass their ambitions and impact society. With billions of real-time data signals across the life cycle of a property, we unearth hidden risks and transformative opportunities for agents, lenders, carriers and innovators.

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