Judgment Recovery - Collecting Your Judgment!

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Congratulation! You have won a court judgment that the debtor owes you money. But, how do you collect? It may be easier than you realize.

The National Judgment Recovery Centerâ€™s practice divides the collection process into the following steps:

Â· Abstract the judgment

Â· Research contact data for each of the debtors in the judgment

Â· Research assets owned by each of the debtors

Â· Research debts and liens against each of the assets or debtors

Â· Conclude upon a best option for collection

Â· Engage counsel to file the necessary documents with the court

Abstracting the judgment is just a fancy way of publicly posting the judgment in the county records to notify the world that the debtor owes you money. Be careful regarding how the abstract of judgment is prepared. There are specific rules regarding who to name, what information much be included, and who can prepare the abstract. In most cases, it is simplest to ask the court to prepare an abstract of judgment, and then have your counsel review it to confirm it has been prepared correctly. An abstract of judgment is invalid if not prepared correctly, even if the court prepared it! (However, you can file another abstract of judgment if the first was prepared incorrectly.)

Research each of the debtors, if there is more than one. If one of the debtors is a person, research their marital status if a spouse is not named. Sneaky debtors sometimes put property in their spouseâ€™s name! However, in many cases, you can still collect on this property, depending on state laws. (For example, Texas is a community property state, so unless strict laws are followed, all property is jointly owned by the husband and wife, regardless of how it is titled.) Use court resources such as marriage records, divorce records (always a wealth of information!; sometimes more than you want to know), on-line phone books, paid phone book services such as Net Detective and Intelligator, Accurint, assumed name aka doing business as records, appraisal district records, etc.

Then research each of the assets owned by each of the debtors. If they own a â€œcompanyâ€•, is it in business in reality, or just on paper. Check appraisal district records for both real property and business personal property searching by both name and address. Check the secretary of state records for companies owned by the debtor. Also research real property records using a site such as courthousedirect.com to locate property owned by the debtors.

You can also do post-judgment discovery to discovery assets owned by the debtor. This topic will be covered in a separate article.

After locating the property owned by the debtors, research both voluntary and involuntary liens. A voluntary lien is given voluntarily such as a real estate mortgage or a business loan. Typical involuntarily liens include judgments, IRS liens, state tax liens, mechanic and material liens (aka M&M liens), property tax liens, city mowing liens, liens for cost of demolition by the city, etc.

Evaluate the market value of property versus the mortgages and other liens. Do you want to own a house worth $100,000, if there is a mortgage against it for $105,000, and a federal tax lien of $30,000? Especially when foreclosure of the house under you lien will more than likely create an event of default under the mortgage documents? (This will allow the current lender the ability to foreclose your lien off.

After evaluating the debtorâ€™s property, decide whether to proceed further. If the debtor has property with equity, file a writ of execution to get the constable (the man with the badge and the gun) to sell the property. This ends the excuses! The debtor either has to pay you, and pay the cost for the writ of execution, or the property will be sold!

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The National Judgment Recovery Center is the leading a Judicial Judgment Recovery specialist in Texas. Trouble in your a Judgment recovery? We pay you cash for your judgment.

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