

# Single investor buys more than 30 mobile home tax liens in Boulder County

Realtor Julie Carpenter already took possession of four properties via investment strategy

**By Mitchell Byars**

*Staff Writer*

POSTED: 03/05/2016 12:00:00 PM MST

The woman who took possession of four mobile homes in Boulder County due to unpaid tax liens earlier this year invested almost \$5,000 in more than 30 other mobile home tax liens, a practice that county officials have been taking a closer look at in recent weeks.

Realtor Julie Carpenter took possession of the homes this January after their owners failed to pay liens — all under \$800 — that Carpenter purchased one year earlier. In addition, records show Carpenter spent a total of \$4,862 on 35 tax liens at a sale in November that could land her more mobile homes in a year's time.

Taking possession of mobile homes valued at thousands of dollars for hundreds of dollars in tax liens is completely legal by statute, but the practice has drawn the attention of county officials. Boulder County Treasurer Paul Weissmann met with various agencies — including city councilors, housing officials and local prosecutors — about people losing their mobile homes, and he has convened a work group to look at possible legislative changes for the next session as well as involving advocacy agencies to alert and educate mobile home owners.

But Weissmann — who is wrapping up his first full year as treasurer after being elected in 2014 — said they are tackling an issue they have never seen before. While investing in tax liens is nothing new, Weissmann said this year is the first time anyone can recall anyone actually filing for a certificate of ownership on a mobile home, a move that sometimes motivates homeowners to pay the lien, thus cutting off the profits:

Once an investor files for the certificate — which can usually be done about a year after the lien is purchased — the mobile home owner is notified and then has about a month or so to pay off the lien before they lose the home.

Even for tax liens on homes, Weissmann said investors rarely file for the deed of trust, usually opting to just continue to collect interest rather than try to get possession of the property.

"We go years, and people have never asked for either," Weissmann said.

## **'Pretty shady practice'**

Weissmann said when most people invest in tax liens, they are not banking on acquiring property. Instead, they make money off of the interest on the tax liens as time goes by, 10 percent per year. The longer the property owner goes without paying the taxes, the more interest the investor gets. "You're betting on how long it takes somebody to pay the taxes," Weissmann said. "The longer it takes, the more money they make. That's mostly what people are in it for. They are not in it for the property itself. They are in it for the interest rate."

Weissmann said because tax liens on mobile homes are so low, the interest rates are not enough to really move the needle.

"Profit's a relative term," Weissmann said. "If you're trying to make a living at it, good luck. But if you want a few bucks, maybe you buy a few."

While adding that this was his first tax lien sale as treasurer, Weissmann said the low return on interest for trailer homes is the reason he thought it was unusual to see Carpenter had purchased so many mobile home tax liens.

"It's a lot, because usually mobile home liens don't get sold," Weissmann said.

But does the equation change if the investor obtains the property? In at least one case, Carpenter was able to sell a mobile home she obtained for a \$175 lien to Five Star Homes in Boulder. While neither Carpenter nor Five Star has revealed the sale price, the previous owner of the home, Robert McHugh, paid \$6,000 for the trailer in 2007.

If she sold the mobile home at that price, she has already made back the investment she made on the next year's batch of liens — with three other properties still under her name.

The resident in one of those other three mobile homes said Carpenter approached him about buying back the mobile home for \$26,500 after obtaining it for a \$63 lien.

In one month, Carpenter could have had a fifth mobile home — at Orchard Grove Mobile Home Park in Boulder — after filing for a certificate of ownership. When contacted by the Daily Camera on Friday morning, the owner of the mobile home said he did not know what the tax lien was. But Weissmann said the \$223.18 tax lien was paid later that day.

Two other mobile home owners in danger of losing their homes also were able to pay off their liens this week. One, Brandon Scott of Longmont, also paid off a lien after a Camera reporter asked him about it Friday morning.

The mobile home at 951 17th Ave. was Scott's father's, but it sat empty for years after his death until Scott moved in this past October, unaware of the lien and the possible consequences.

"In all honesty, I do recall seeing notices on the door a couple of times, but just being busy and not being on top of the situation, I set them aside and didn't think too much of them," Scott said.

Once he became aware of the lien, Scott went to Boulder and paid off the \$656.55 lien in full and was told by an official the paperwork was about to be filed that day and that he would have been a month away from losing the home.

"Ultimately I think it's a terrible system, but at the same time that's the law," Scott said. "But older people on fixed income who may not be able to afford it losing a \$30,000 home over a few hundred dollars? That's a pretty shady practice for sure.

"I can't imagine if somebody would have come a few weeks from now saying they owned my home after they paid \$500 that would have gone over well."

The investor on Scott's tax lien, identified by officials as Reid Levy, could not be reached for comment Friday. Weissmann said Levy purchased three other liens.

### **'We were not prepared'**

Despite a lot of community support, McHugh wound up having to move to Aurora after Five Star Homes told him he needed to move out of his former mobile home, where he had lived for nine years.

Dave Money with Five Star Homes said, "My understanding is that Mr. McHugh is very happy with his new home," before saying he would not comment on the matter further.

No more mobile homes will change hands due to unpaid tax liens in 2016, but there could be more in 2017. Weissmann said there are still 41 unpaid tax liens in Boulder County — 17 in Longmont, 12 in Boulder, 11 in Lafayette and one in unincorporated Boulder County — from 2015, and investors can file for a certificate of ownership on those in December if they are not paid off by then. Miriam Pantoja owns a mobile home at Boulder's San Lazaro mobile home park and is one of those who has yet to pay her lien. Pantoja said she will, but she initially did not know what a tax lien was or where to pay it. It wasn't until she went to a community group meeting and heard McHugh's story that she realized she could lose her home.

"I didn't really know what (a tax lien) was or what I needed to do," Pantoja said. "We have to get together and share this information. It's really important because it's really sad and an injustice that somebody lost their home."

Pantoja then pointed at her mobile home, where she lives with her husband and three young children: "We have worked hard to earn this."

After figuring out about the lien, Pantoja said she has tried to do what she can to spread the word. "I'm going to tell everyone that I know to investigate and see if they have to pay this," Pantoja said. "It's really sad what's going on."

Boulder City Councilwoman Lisa Morzel said community groups like the one Pantoja attended are one way to help spread the message to mobile home communities about tax liens.

"We have to focus our efforts on making sure that people are well informed, and sometimes that might have to be face to face," Morzel said.

Morzel said it is unfortunate officials were too late to help McHugh and the other three mobile home owners. But she said it has at least made officials aware that investing in mobile home tax liens might not be just for people looking to collect on interest anymore.

"It just affects a lot of people, and community awareness of these four incidents is much increased now, and I think it's been an educational moment for everyone," Morzel said. "We were not prepared for that to happen, that somebody would buy a tax lien on a mobile home. Now that we are, I think we are going to make it one of our higher priorities."

*Mitchell Byars: 303-473-1329, byarsm@dailycamera.com or twitter.com/mitchellbyars*