

PENN ATTORNEYS

TITLE ALERT

DATE: 10/21/05

**RE: Underwriting Bulletin 2005-19
Code Enforcement Liens**

The Neighborhood Transformation Initiative (NTI) in Philadelphia, is an unprecedented effort to counter the history of decline in the City of Philadelphia and revitalize its neighborhoods; other municipalities have similar programs. Specifically, under the code enforcement program, City agencies are working collaboratively to provide comprehensive enforcement of health and safety codes. The problem is abated by the City (or a service contractor) and liens entered of record to recoup costs from property owners. Such violations can include, but are not limited to, unsafe buildings, rodent and insect infestations, animal feces and high weeds.

Municipal liens are good liens from the date of the service provided by the Municipality and for twenty (20) years from their filing date. In effect then, the lien is longer than twenty (20) years. Moreover, Licensing and Inspection liens cover code **enforcement (c/e) liens** and there are two types of c/e liens. C/e liens **can be general (in personam) or specific (in rem)**. If the c/e lien is a general lien, then when the defendant in title sells or refinances any property, the lien must be paid off. If the c/e lien is a specific lien, then it must be addressed only if that specific property is being sold or refinanced. An example of a specific, in rem, c/e lien would be for boarding-up a vacant building, and the lien amount tends to be an exact figure such as \$1,563.18. Examples of general c/e liens, usually fines, include, but are not limited to, construction without a permit, failure to timely file a business privilege tax return or a net profits tax return. Fines are generally a round number such as \$1,000.00 or \$2,000.00 (plus standard filing costs). If the c/e lien is a fine, it is considered to be a general judgment and as such good for only five (5) years. It may well be necessary to examine the lien filing in some detail to determine whether a lien is a general c/e lien or specific c/e lien.

Code enforcement liens are abundant in Philadelphia but the rules would be applicable for all code enforcement liens across the Commonwealth.

If you have any questions please contact your servicing Penn Attorneys Office.

PLEASE INSERT INTO YOUR FORMS, POLICIES & PROCEDURES BINDER

Penn Attorneys Title Insurance Co.

State Headquarters
900 State Street, Ste 320
Erie, PA 16501
814-454-8278 * 800-352-2216

erie@pennattorneys.com

Eastern Pennsylvania Office
New Bridge Center, Ste 317
480 Pierce Street
Kingston, PA 18704
570-288-1108 * 800-929-4024

epro@pennattorneys.com