



2025-2026 General Assembly

HOUSE BILL 992: Timeshare Foreclosure/Paternity Matters, Secs. 1 and 2: Timeshare Foreclosure

Analysis of: S.L. 2025-75, Secs. 1 and 2

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Sections 1 and 2 of S.L. 2025-75 (House Bill 992) will create a trustee foreclosure procedure as an alternative to judicial foreclosure for enforcing a claim of lien securing the payment of delinquent assessments owed by a timeshare owner that have been unpaid for six months or more.

This alternative procedure will enable a managing entity or lienholder to obtain a final judgment authorizing foreclosure upon the docketing and indexing of a certificate filed with the clerk of superior court showing the following information pertaining to a timeshare for which a delinquent assessment has remained unpaid for at least six months:

- The record owner of the timeshare and the amount of assessments and other costs secured by the lien.
- The year or years for which the delinquent assessments are due.
- A description of the timeshare sufficient to permit its identification by verbal testimony.
- The filing information for any claim of lien previously filed with the clerk of the superior court.

Prior to filing this certificate, the managing entity or lienholder will have to do the following:

- Send the timeshare owner a written statement of the delinquent assessment amount.
- No sooner than 15 days after sending the statement of delinquent assessment, file the claim of lien with the clerk of the superior court, together with a certificate that notice of the lien was sent to the record owner by first class mail and also either by registered or certified mail, return receipt requested, or by a designated delivery service with a delivery receipt requested.
- At least 30 days before docketing the judgment, send the timeshare owner a notice of the assessment lien foreclosure that includes the following:
 - A statement that a judgment will be docketed authorizing a sale of the timeshare pursuant to a timeshare foreclosure proceeding.
 - The date on which the judgment will be docketed.
 - A brief description of the affected timeshare.
 - The filing information for the claim of lien if previously filed with the clerk of court.
 - A statement that the lien must be satisfied prior to entry of the judgment.
- Along with the notice, send the timeshare owner an objection form to be used in objecting to the use of the timeshare foreclosure procedure.

If the owner of the timeshare estate objects to the use of the timeshare foreclosure proceeding within 30 days after receiving the notice of the assessment lien foreclosure, the lien securing payment of the delinquent assessments will be enforceable only by judicial foreclosure, and the timeshare owner and any successor that acquires title to the timeshare will remain potentially subject to a deficiency judgment. Alternatively, if the timeshare owner does not object to the timeshare trustee foreclosure procedure within

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30 days after receiving the notice of the assessment lien, then the timeshare owner will not be subject to a deficiency judgment if the proceeds from the sale of the timeshare interest prove insufficient to offset the amounts secured by the lien.

Under the timeshare trustee foreclosure procedure, the managing entity or lienholder will have to appoint a trustee to conduct the public sale of the timeshare estate, which will have to be conducted at least 30 days and not more than one year after the indexing of the judgment directing the sale of the timeshare. On the date of sale and upon receipt of cash or certified funds, the trustee will be required to issue a certificate of sale to the highest bidder. Within 10 calendar days of the sale, the trustee will have to file a certificate of compliance with the clerk of superior court and issue a trustee's deed to the buyer.

At any time prior to the issuance of a certificate of sale, the timeshare owner and anyone else entitled to notice as an interested party will have the right to appear before the clerk of superior court and move to set aside the judgment on the ground that the assessment has been paid or that the assessment lien on which the judgment is based is invalid.

The timeshare foreclosure procedure will not be available to enforce a lien securing a debt consisting only of fines, interest on unpaid fines, or attorney's fees incurred by the managing entity solely associated with fines; only judicial foreclosure will be available for the enforcement of such liens.

All foreclosure proceedings commenced by a managing entity or lienholder prior to March 1, 2026, and all resulting sales and transfers of real property, will be declared valid unless an action to set aside the foreclosure is commenced on or before March 1, 2026, or within one year after the date of the foreclosure sale, whichever occurs last.

Sections 1 and 2 of the act become effective December 1, 2025, and apply to claims of lien filed on or after that date.