



Lien Resolution Guide

How Selling Can Clear Your Judgment Lien

A judgment lien on your property can feel like being stuck. It affects your credit, blocks refinancing, and makes it difficult to sell. But here's what most people don't realize: **selling your home can actually resolve the lien and give you a fresh start.**

SECTION 1

What Is a Judgment Lien?

A judgment lien is created when:

- 01

 Someone sues you and wins
- 02

 The court orders you to pay a specific amount
- 03

 The judgment is recorded against your property

Common Sources

- Credit card lawsuits
- Medical bills
- Personal loans
- Contractor disputes
- HOA fees

SECTION 2

How Selling Resolves the Lien

When you sell your property with a lien attached, here is exactly what happens:



SECTION 3

Example — How It Works

Sample Sale Breakdown

Home sells for	\$280,000
Mortgage payoff	– \$180,000
Judgment lien	– \$25,000
Closing costs	– \$15,000
YOU RECEIVE	\$60,000

The lien is paid, your credit starts recovering, and you have cash to start over.

What If I Don't Have Enough Equity?

If your home value doesn't cover the mortgage + lien + costs, you have options:

- Negotiate**
Creditors often accept **less than the full amount** owed
- Payment Plan**
Pay a portion at closing, remainder over time
- Short Sale**
Lender and creditor both agree to accept less than owed

SECTION 4