

Propel Financial Services Urges 75% Lower Closing Cost Limits on Tax Lien Transfers

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Lower fees will help more Texans resolve overdue property taxes

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AUSTIN, Texas, Sept. 17, 2014 /PRNewswire/ -- Propel Financial Services President and CEO Jack Nelson has told regulators in Austin that the state should modify existing rules to make it easier and even more affordable for Texans to pay their delinquent property tax bills using tax lien transfers. Nelson recommends that the legal limits on closing fees for third-party property tax payment plans be reduced by as much as 75 percent.



Nelson's comments in a Sept. 5 stakeholder meeting organized by the Office of Consumer Credit Commissioner (OCCC) stressed that Propel already charges closing fees well below the allowed maximums for its tax payment plans and that most leading firms in the industry voluntarily do the same. But he advised the OCCC to set even stricter closing-fee limits to ensure that distressed property owners have access to the most affordable possible payment plan options from all tax lien transfer companies. Nelson further spelled out his recommendations in a letter to the OCCC.

"I applaud my colleagues who share Propel's concern for property owners and strive to keep costs down," Nelson said. "I urge the OCCC to codify significantly lower closing cost limits, which will help more property owners keep their properties."

Nelson also stressed to the OCCC the importance of establishing regulations ensuring that tax lien transfer companies not profit from the servicing and collection of transferred tax liens beyond the interest charged on the accounts.

HOW PROPERTY TAXES ARE HANDLED IN TEXAS

Property taxes in Texas are collected by county tax assessor-collectors, who attach a lien to every residential and commercial property on Jan. 1, which stands until the bill is paid. If taxes remain unpaid after June 30, taxing entities can add as much as 42 percent in penalties and interest.

Most counties refer delinquent property tax accounts to an attorney for enforced collection. At this point, the property owner may incur an additional penalty of up to 20 percent of the total taxes, penalties, and interest due. The attorney also has the legal authority to foreclose.

Once a property tax bill is delinquent, a licensed tax lien financing company can offer the property owner the option of transferring the lien to a private entity in return for a payment plan, known as a tax lien transfer. This enables the property owner to pay back the financing company over time. Propel, for example, offers payment plans of up to 10 years.

Tax lien transfers ensure that the taxing entities get the tax funds they need for schools, streets and other services.

The tax lien transfer option has kept thousands of Texas property owners out of foreclosure by providing them with much needed flexibility in paying off their property tax bills, Nelson said. Licensed tax lien financing companies in Texas transfer approximately 15,000 liens annually, helping owners resolve delinquencies and stay in their homes and businesses.

ABOUT PROPEL FINANCIAL SERVICES

[Propel Financial Services offers](#) property tax payment plans in Texas and Nevada, creating affordable and flexible payment plans for people who are delinquent on their property taxes. With a property owner's consent, Propel pays the property owner's delinquent property taxes directly to the local taxing authority, which then transfers the tax lien to Propel. Additionally, Propel provides tax lien solutions nationwide by working closely with municipalities and government officials to find solutions to unpaid property taxes.

Headquartered in San Antonio, with offices in Dallas, McAllen, and Roseland, New Jersey, Propel is the largest tax lien transfer company in Texas and is home to 100 employees. The company has repeatedly been recognized as a "Top Workplace" by the *San Antonio Express-News*. For more information, please visit the company's website at propelfinancialservices.com. Propel Financial Services is a wholly owned subsidiary of Encore Capital Group (Nasdaq: ECPG).

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