

Fact Sheet

Unfair Deals: The Truth About NYC Tax Lien Sales

What is a tax lien sale?

A tax lien sale occurs when homeowners can't pay their taxes and the city sells these taxes, as debt, to private investors. These investors don't own the homes involved, but they own the right to collect this debt, plus any added interest and fees. The system allows the city to collect delinquent taxes, but the effects can be harmful for homeowners and neighborhoods.

How is a tax lien sale unfair and harmful?

Targets vulnerable homeowners.

Tax lien sales unfairly affect homeowners of color, as well as the elderly and low-income households. These groups are more likely to lose their homes because of the added stress to already fragile family budgets.

Creates additional financial burdens.

Once sold, high interest and extra fees are added to the tax lien debt, which can greatly increase what homeowners owe. Over time, this growing debt might lead to residents losing their homes through foreclosure.

Impacts community stability.

These sales can force long-standing community members from their homes and disrupt communities, leading to rapid changes in community residents and increasing living costs.

What Can Be Done?

End tax lien sales on small homes.

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Change how taxes are collected.

Put fairer procedures in place to collect taxes, such as offering easier payment plans and allowing heirs to more easily settle debts.

Increase outreach and homeowner support.

Enhance the way homeowners are contacted about their tax debt, and make them aware of resources for financial counseling or legal assistance.

What You Can Do Next

- **Stay Informed:** Understand how tax lien sales impact your community.
- **Spread the Word:** Share this report and fact sheet with others.
- **Contact Your Elected Officials:** Share your voice with elected representatives and demand change.

Contact

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