

Q. I received a notice that my property is going up for tax sale. What does this mean?

A. Homeowners in Rhode Island who fail to pay their property taxes or certain other taxes/assessments like sewer or fire district taxes can lose their home in a tax sale. When a Rhode Island homeowner doesn't keep up with the property taxes, the tax collector may sell the home at a tax sale to satisfy the debt. Tax sales in Rhode Island are public auctions.

Q. What happens if an investor purchases my lien(s)?

A. When liens are purchased by private investors, the homeowner has one year to pay the delinquent tax money plus interest and fees in order to redeem his/her home. If the money owed is not paid within one year, the investor may file a petition to foreclose the right of redemption and take ownership or title of the property.

Q. What is RIHousing's role in the tax sale process?

A. Under the state's Madeline Walker Act, RIHousing has the right to purchase delinquent liens on 1-3 unit owner-occupied properties before they go to tax sale. Municipalities send RIHousing the list of liens up for tax sale approximately 40 days prior to the date of the sale, and our staff reviews that list and identifies those eligible for the Madeline Walker program that meet our risk evaluation criteria.

We then send letters to all homeowners whose properties we believe meet that criteria with information on the program and urging them to reach out to us.

Q. What is the Madeline Walker Act?

A. The Madeline Walker Act is a state law designed to help homeowners who have fallen behind on their taxes or other municipal liens and/or taxing authority liens to avoid the loss of their home at tax sale.

Q. What is the benefit of having RIHousing purchase the lien(s) vs a private investor?

A. While private lien purchasers must hold liens for only one year before initiating foreclosure, RIHousing must hold liens for a minimum of five years. During this time, RIHousing offers a range of supports for homeowners, including enrolling them in a payment plan, connecting them to housing counseling, and directing them towards other community resources.

The Madeline Walker Act has allowed thousands of vulnerable Rhode Island homeowners to avoid foreclosure.

Q. Does RIHousing purchase all tax liens for Rhode Island property owners?

A. No. RIHousing staff reviews the list of tax liens and identifies those eligible for the Madeline Walker program and that meet our risk evaluation criteria. We then reach out to all homeowners who meet those criteria notifying them that they must contact us at least 20 days prior to the tax sale if they would like RIHousing to participate in the program. RIHousing will only purchase the liens of those property owners who reach out to us at least 20 days before the scheduled tax sale. Homeowners must opt in request RIHousing assistance within this time frame for us to purchase their tax lien(s).

Q. Why do I need to contact RIHousing 20 days prior to the tax sale?

A. Taxing authorities require RIHousing to notify them in writing prior to the tax sale of the liens we will be purchasing. Our staff needs enough time to review the information from homeowners who require assistance and the cost to purchase their tax liens prior to us providing that notification.

Q. Has RIHousing changed how it decides which residential tax liens to purchase at tax sale?

A. The criteria RIHousing uses to make decisions about which liens to purchase has not changed. RIHousing reaches out to every eligible homeowner who meets our criteria for purchasing liens under the Madeline Walker Act with an offer to purchase their lien at tax sale. RIHousing has a limited amount of resources and focusing on homeowners who respond to our outreach efforts allows us to most effectively target those limited resources to eligible homeowners who need assistance.

Q. If RIHousing purchases my lien, what steps do I need to take?

A. Once RIHousing purchases your lien at tax sale, our staff reach out to you to determine how to get back on track with your tax payments. This may include developing a payment plan or connecting you with other resources that may be of assistance.