



# TREASURER-TAX COLLECTOR SAN DIEGO COUNTY

[www.sdttc.com](http://www.sdttc.com)

**Dan McAllister**  
Treasurer-Tax Collector



## INSTALLMENT PAYMENT PLAN OF REDEMPTION INFORMATION SHEET (FIVE YEAR PLAN)

### 1. Q. Am I eligible for the Five Year Plan?

- A. If taxes have been in default for less than 5 years from the original date, or 1<sup>st</sup> year, of default, then you are eligible to set up an installment plan of redemption. However, if you were on a Five Year Plan which defaulted this fiscal year, you cannot start a new plan. A pay plan cannot be re-started in the same year it defaulted, and a pay plan cannot be started on a property in the 6<sup>th</sup> year of default or older, or that is subject to the Tax Collector's power to sell.

#### Example:

From the original "Tax Default Date", June 30, 2008, add 5. (June 30, 2008 + 5 = June 30, 2013)  
June 28, 2013 is the last day of eligibility to set up an Installment Pay Plan.

### 2. Q. Are my current year taxes included in the Five Year Plan?

- A. No. Current taxes are separate from the Five Year Plan, and must be paid separately. If the current taxes are not paid by April 10<sup>th</sup> each year, the Five Year Plan will default. When setting up a payment plan, the current taxes must be paid in full.

### 3. Q. Can the current taxes be put on a Five Year Plan?

- A. No. The Five Year Plan is available only for prior year, defaulted taxes.

### 4. Q. How much do I have to pay to start the Five Year Plan?

- A. The minimum amount required to start the Five Year Plan is 20% of the defaulted TOTAL AMOUNT DUE, as of the month in which you set up the payment plan **plus** the \$63 set-up fee, **plus** the \$18 TTC Redemption Cost, **plus** all current year taxes that are unpaid must be paid in full.

### 5. Q. Do I have to sign anything?

- A. Yes. Please read the attached explanation and agreement carefully. The payment plan must be set up by the homeowner, or in the case of a trust or company, by an authorized person. Additional documents may be required. If you choose to initiate the Five Year Plan, sign and date the agreement form. Return it with your check. The initial 20% payment for prior-year defaulted taxes, \$63 set-up fee, plus the \$18 TTC Redemption Cost, and the signed agreement form must be received before we can start the plan. In addition, payment of the unpaid current year taxes may be required in order to set up an Installment Plan of Redemption.

### 6. Q. Does accrued interest stop when I start the Five Year Plan?

- A. No. Accrued interest of 1.5% of the unpaid balance is added on the first day of each month after the initial payment.

#### Interest Computation Example:

Total Redemption Amount:		\$4,702.50
Less 20% Payment	$(\$4,702.50 \times 20\%) =$	\$ 940.50
Remaining Unpaid Balance:		\$3,762.00
Interest is 1.5% per month of the unpaid balance.	$\frac{\$}{\$}$	$\frac{1.5\%}{56.43}$ per month

**7. Q. How often do I make payments?**

- A. At least once a year.

Your annual 20% payment of prior year taxes plus accrued interest and a \$71.00 maintenance fee are due no later than April 10<sup>th</sup> of each year, **plus** current year taxes must be paid no later than April 10<sup>th</sup> of each year while on the Five Year Plan.

**8. Q. How much are the payments?**

- A. The payments are 20% of the original TOTAL AMOUNT DUE for the month in which you started the plan (not 20% of the unpaid balance) **plus** the interest that has been added since the date of the last payment. A notice will be mailed to you each March showing the minimum amount due. If you do not receive this notice prior to April 1<sup>st</sup>, contact this office for the current amount due on your Payment Plan and Current year Taxes. **Failure to receive the reminder notice does not provide a basis for delayed payment, waiver of interest, and/or reinstatement of a defaulted pay plan.**

**9. Q. Can I pay more often than once a year?**

- A. Yes. You can make a payment as often as you like, but each payment must be at least the amount of the interest that has accrued since the date of your last payment, plus one month of interest. Total payments for each fiscal year must equal at least 20% of the original TOTAL AMOUNT DUE **plus** interest.

**10. Q. Will the taxes still show as delinquent while I'm on the Five Year Plan?**

- A. Yes. The parcel will be listed on the defaulted tax roll until it is paid in full.

**11. Q. What happens if I can't make the payment on time?**

- A. The Five Year Plan will default, and the account will be recalculated to reinstate penalties on the total amount of defaulted taxes beginning with the original date of default to present. A new Five Year Plan can be started at any time after the beginning of the next fiscal year (July 1<sup>st</sup>) and before the earliest delinquency becomes five years old. For example, if the earliest delinquency is for the 2008-09 fiscal year, the original date of default was June 30, 2009, and charges were transferred to the defaulted tax roll on July 1, 2009. The Five Year Plan can be set up at any time on or before June 30, 2014.

The "Default Credit" (money previously paid while on the payment plan) cannot be used to start a new payment plan. That amount will be deducted from the balance after the initial 20% has been applied.

**12. Q. Does my mortgage company have to accept the Five Year Plan?**

- A. Check with your mortgage company to be sure they will accept it. Establishment of a Five Year Installment Plan of Redemption will not stop a foreclosure action by a mortgage holder or holder of a Deed of Trust. It is the taxpayer's responsibility to notify the mortgage company or financial institution that a payment plan has been established.

**13. Q. Can my property be foreclosed on while I am on the Five Year Plan?**

- A. It is important to note that if your prior year tax bill includes special assessments for the repayment of debt service obligations under the Improvement Bond Act of 1915 of the Streets and Highways Code, and/or special taxes for payment of debt service on bonds issued pursuant to Mello-Roos Community Facilities Act of 1982 (CFD's), the Installment Plan of Redemption does not prevent or delay foreclosure action on behalf of the bondholder pursuant to Section 53356.1 (a) of the Government Code.