

REAL ESTATE



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Q | When should investors consider seeking appointment of a receiver over property?

A | Washington has a well-developed receivership act that allows courts to appoint receivers to protect investors and creditors. If a creditor wants to collect rents and prevent damage to property, it can seek appointment of a “custodial receiver,” who often stays in place until completion of a foreclosure. Creditors can also seek to appoint a “general receiver” to sell properties with court permission. Through active marketing, a general receiver can often help creditors obtain a far higher price than through foreclosure. A general receiver can also help limit liability arising from environmentally contaminated properties, as the creditor will never take ownership of the property.

Although receiverships can offer many benefits, careful planning is critical: there are a wide range of receivers, from experienced professionals who can help protect one’s investment to individuals with little clue how to achieve this desired outcome.