**XXXXX Association, Inc.**

Assessment Collection Policy

Adopted by the Board of Directors

X MONTH, 2021

WHEREAS, the Board of Directors of XXXXX Association desires to establish a fair and equitable policy governing collection of all amounts due and owing to the Association; and

WHEREAS the governing documents of XXXXX Association and provisions of [enter your State Statute here (if any)] govern collection of assessments and other charges; and

WHEREAS, the Board of Directors of XXXXX Association adopted this policy at a duly noticed and held Board of Director’s meeting; and

WHEREAS, the Board of Directors of XXXXX Association distributed the adopted policy to all members of the Association at the address shown on the books and records at least ten (10) days prior to the effective date; and

WHEREAS, the Board of Directors of XXXXX Association, Inc established , 2021 as the effective date of this policy:

WHEREAS, this Assessment Collection Policy will supersede all previous collection policies of XXXXX Association, Inc on , 2021 and may be further amended from time to time. Said policy will not contradict The Articles of Incorporation, Declaration of Community Association, or By-Laws, and may be recorded as part of the Rules & Regulations should the board choose to memorialize these policies.

NOW THEREFORE, the Assessment Collection Policy is adopted as follows:

1. Mandatory maintenance assessments shall be due on the first (1st) day of each month. Or whatever pay period is established by the governing documents.
2. If payment is not received by the required due date as per the governing documents, the member’s account shall be assessed a late fee of ($ ) dollars (as per the governing documents) and not to exceed what is allowed by state statute. Late Interest that may also appear in the governing documents will also be assessed at XX% per year. Late interest is simple interest (i.e. not compounded) and charged against principal assessments only.
3. If the past due amount remains delinquent by the XXth (XXth) day of the following month, a collection letter will be sent informing the unit owner that full payment must be received by XX days of the date of the letter or incur further collection action. A collection fee of $10 will be assessed to the owner’s account.
4. After 60 days past due the file may be sent to a collection agency or an attorney.
5. If a file is to be sent to the attorney a notice to Lien letter will be sent by certified and first-class mail informing owner that payment must be received by XX days of the date of the letter or the account will be transmitted to the Association’s Attorney. The owner will be responsible for all legal fees and collection costs incurred if sent to an attorney. The association will be obligated to pay for all legal and collection costs that the owner is responsible for until recovered from the owner, as applicable. If a file is sent to an attorney an $85 collection fee will be added to the account for this notice and associated communication between the owner and the Association.
6. If the association utilizes the licensed FDCPA Easy Collect collection services provided by Schwartz Vays or any of its subsidiaries, all collection fees and costs are at their risk, except for the $39.00 per month collection monitoring fees charged to the association, (and placed on the delinquent owner’s ledger).
7. Once a file is in collections with an attorney or a collection agency, a $39.00 per month collection monitoring file management fee will be added to the account of the delinquent owner.
8. Any account which remains delinquent in an amount equal to two (2) months of maintenance assessments will be referred to the Collection Agency or Legal Counsel for formal collection action without any additional notice from the Association. The Collection Agency or Legal counsel will send an initial Demand for Payment Letter as required by Federal law. The owner will be required to pay the entire amount of the delinquency, including all costs of collection and/or legal fees, within thirty (30) days. If full payment is not made within thirty (30) days, the collection agency or attorney will send a notice of intent to lien. If full payment is not made after the sending of a notice of intent to lien, a claim of lien for the unpaid delinquency will be filed on behalf of the Association.
9. Should the BOD choose to use a legal process, if permitted by the association’s governing documents, this Collection Policy makes it unnecessary for the Board of Directors to vote formally on the foreclosure action against a delinquent Unit Owner’s property meeting the requirements of a foreclosure action, but only if a where a formal vote is not required by state statutes or the governing documents, and the board wishes to give the agent agency to proceed. In the event a foreclosure action is filed, all costs incurred in connection to the foreclosure action, including attorney’s fees, shall be the responsibility of the Unit Owner. The Association will be obligated to pay the aforementioned attorney fees and costs that the owner is responsible for until recovered from the owner, as applicable. Costs include, without limitation: title search fees, service of process fees, recording fees, appraisal fees, photocopying fees, postage fees, service of process fees, and court filing fees.
10. If the BOD chooses to utilize the services of a collection agency, the fees and costs charged through to the delinquent owner are at risk and the association will not be obligated to pay if the collection agency fails to have a successful collection event. The collection agency is totally merit based.
11. A maximum of two files referred to the collection agency may be removed from collections by the Association, at no fault of the collection agency; the Association will not be obligated to pay the collection fees and costs due to the collection agency. Any further files (more than two) are removed from collections after collections have commenced shall incur a charge to the association in the equivalent of what fees have been charged to the delinquent owner.
12. All returned check and bank charges, incurred in connection with efforts to collect any delinquency owed to the Association, whether or not litigation commences, shall be treated as common expense assessments against the Unit and shall be the Unit Owner member’s responsibility.
13. If the Association incurs a fee from the Financial Management Company for extra work in referring the delinquent account to legal counsel for collection, that fee shall be assessed to the Unit Owner’s account and shall be reimbursed by the Unit Owner member.
14. There is a $35 charge for returned checks, plus any bank charge to the Association. After two (2) returned checks per unit, all subsequent payments for a period of twelve (12) consecutive months must be made via ACH or online credit card transaction (convenience fee applies).
15. Payment proceeds received for a delinquent owner will be will be applied to the delinquent account in accordance with the Association Documents and Applicable Law.
16. The distribution of said payment proceeds are credited as follows:
    1. Applicable Late Fees and Late Interest as per the Governing documents.
    2. Collection Agency Fees
    3. Special assessments
    4. Regular common expense assessments
17. When a member’s account has been referred to the collections department or legal counsel for collection:
    1. All communications with, and payments by, the Unit Owner regarding the delinquency shall be made only to the collection agency or legal counsel.
    2. The Unit Owner will not receive a monthly invoice from the Association or the Financial Management Company until the account is no longer with the collection agency or legal counsel. All balance requests must be directed to the collection agency or legal counsel.
    3. If the association opts in to use a collection agency, all payments must be sent to the collection agency. If checks are used as a means of payment, they can be made payable to the name of the community association and sent to the collection agency for processing.
    4. If the association opts to use legal counsel payments shall be made payable to legal counsel as Trustee.
    5. Diligent effort will be made to forward any payment made directly to the Association to legal counsel or the collection agency without being deposited by the Association. In no way does acceptance of a partial payment on an account in collections suspend the collection process.
    6. Checks with restrictive endorsements (accord and satisfaction) will be returned to the payer and not accepted.
    7. All requests for a payment plan shall be submitted to the collection agency or legal counsel in writing. The Board of Directors will NOT consider any verbal payment plan requests.
    8. If the association is using a collection agency, the collection agency is authorized to accept payment plans up to XXXX months without the approval of the BOD.
    9. If the Board of Directors approves a payment plan, all fees and costs incurred during the life of the plan remain the responsibility of the Unit Owner.
    10. Partial payments will not suspend collection activity. All payment plans must be in writing and signed by the delinquent owner.
    11. No Resale Certificate shall be issued when a Unit Owner is in collection until the balance of the delinquency, including outstanding costs and fees, have been verified.
    12. The Board of Directors, after Notice and Hearing, has the right to suspend any right or privilege of a Unit Owner and / or the Unit Owner’s invitees, tenants, family, agents, guests, or occupants of the Unit Owner’s unit pursuant to the provisions [\_\_\_\_\_\_\_\_enter your State Statute here (if any)], who fails to pay a common expense assessment.
18. This policy is an addendum, and in addition to, all rights the Association has under the laws of the State of [\_\_\_\_\_\_\_\_\_your State], the Declaration, By-Laws, and Rules and Regulations, as amended.

This policy shall be effective as of the day of , 2021

Typed Name, Secretary