

XXXXX Association, Inc
Assessment Collection Policy
Adopted by the Board of Directors
April 19, 2019

[Note: Community Financials recommends the community's attorney (specializing in Condo / HOA law) review this policy. Items highlighted below are highly recommend to be reviewed]

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

WHEREAS, the Board of Directors of XXXXX Association, Inc 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 _____, 2019 as the effective date of this policy:

WHEREAS, this Assessment Collection Policy will supersede all other collection policies of XXXXX Association, Inc on _____, 2019 and may be further amended from time to time,

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.
2. If payment is not received by the **tenth (10th)** day of the month, the member's account shall be assessed a late fee of _____ (\$) dollars.
3. If the past due amount remains delinquent by the **tenth (10th)** day of the following month a collection letter will be sent informing the unit owner that full payment must be received by **10 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 a Notice to Lien letter will be sent by certified and first-class mail informing owner that payment must be received by 10 days of the date of the letter or the account will be transmitted to the Association's Attorney or Collection Agency for collection. The owner will be responsible for all legal fees and collection costs incurred. An \$85 collection fee will be added to the account for this notice and associated communication between the owner and the Association.
5. If no payment is received by the due date specified in the letter as the due date, a \$39 per month legal action file management fee will be added to the account, which will be transmitted to the Attorney/Collection Agency for legal action.
6. Any account which remains delinquent in an amount equal to two (2) months of maintenance assessments will be referred to the Association's legal counsel for formal collection action without any additional notice from the Association. Legal counsel will send a Demand for Payment Letter requiring payment of the delinquency, including all costs of collection and legal fees, within thirty (30) days. If full payment is not made within thirty (30) days, legal counsel shall commence foreclosure proceedings, providing that the account is delinquent in an amount equal to two (2) months of maintenance assessments. **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. All costs incurred in the foreclosure action, including attorney's fees, shall be the responsibility of the Unit Owner. Costs include, without limitation: title search fee, service of process fee, recording fee, appraisal fee, photocopying fees, postage fees, and filing fees.

7. All attorney's fees and collection costs including, without limitation, returned check and bank charges, incurred in collecting, or attempting 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 sole responsibility.
8. 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.
9. 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 to the Association by ACH or online credit card transaction (convenience fee applies).
10. Payments received towards a delinquent account are credited as follows:
 - (a) Attorney's fees and costs
 - (b) Late fees and interest
 - (c) Fines
 - (d) Special assessments
 - (e) Regular common expense assessments, with payment being applied to the oldest balance first
11. When a Unit Owner member's account has been referred to legal counsel for collection of a delinquent account:
 - (a) All communications with, and payments by, the Unit Owner regarding the delinquency shall be made only to legal counsel
 - (b) The Unit Owner will not receive a monthly invoice from the Association or the Financial Management Company until the account is no longer referred to legal counsel. All balance requests must be directed to legal counsel
 - (c) Payments shall be made payable to legal counsel as Trustee. Diligent effort will be made to forward any payment made directly to the Association to legal counsel without being deposited by the Association. In no way does acceptance of a partial payment on an account in collection suspend the collection process.
 - (d) All requests for a payment plan shall be submitted to legal counsel in writing. The Board of Directors will NOT consider any verbal payment plan requests
 - (e) If the Board of Directors approves a payment plan, all legal fees and costs incurred during the life of the plan remain the sole responsibility of the Unit Owner
 - (f) No Resale Certificate shall be issued when a Unit Owner is in collection until the balance of the delinquency, including outstanding legal costs and fees, has been verified with legal counsel
 - (g) 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
12. This policy is 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 _____, 2019

Typed Name, Secretary