



## **COLLECTION POLICY**

December 14, 2023

### **Procedure:**

Assessments shall be paid quarterly and are due on the 1<sup>st</sup> day of each quarter (January, April, July & October). This date is called the due date. The Association collects assessments, in advance, with the payment due on the first day of each quarter.

**Day 15:** Assessments received after the 15<sup>th</sup> day of the month the assessment is due will be considered late and a late fee of 5% of the assessment will be due. The maximum allowable interest, as specified in the Declaration, will be calculated from the first day of the missed assessment payment until settled. The late fee and interest will be assessed on the 15<sup>th</sup> of the respective month that the Quarterly Assessment is due (January, April, July, and October).

**Day 16 to 30:** Property Manager to provide Delinquency Report to the Board Treasurer. KW Property Management Accounts Receivable (AR) Associate will send a courtesy reminder with Statement of Accounts to all owners that did not pay as of the end of the 15<sup>th</sup> and have a balance greater than \$25.

**Day 30:** If no payment is made and the unit owner's name appears on the 30-day aged delinquency report, then KW Property Management Accounts Receivable (AR) will send a Statutory NOLA (Notice of Late Assessment) letter to the delinquent unit owner.

**Day 60:** If the account is in arrears  $\geq$  \$100, the Property Manager will notify the AR Associate to forward the delinquent account on to the attorney for collection. Once the Collections attorney receives an account from the AR Associate, the attorney will prepare a **45-Day Intent to Lien** letter which will be sent to the unit address by Certified Mail and Regular Mail. Generally, the attorney will take approximately 10 business days from the date the delinquent case is received at their office to send the 45-day Intent to Lien letter. All correspondence with regard to any accounts tagged Legal must be forwarded to the Attorney Relations Department. Unit owner will be responsible for all legal fees.

**Day 115+:** If after 45 days from the date of the attorney's Intent to Lien demand letter is sent the account is not current, the Property Manager will authorize the Association's attorney to proceed with filing a Claim of Lien.

**Day 120+:** After the Claim of Lien is filed, a Board approval is required to authorize Association's attorney to proceed with Foreclosure.

The same collection process applies with Special Assessments starting on the 15<sup>th</sup> day following the Special Assessment date.

All late fee and interest waivers in excess of \$100 must be approved by the Association Treasurer or designee. Late fee and interest waivers  $\leq$  \$100 can be approved by the Property Manager. Late fees and interest waivers are granted only one time for an owner with respect to a particular property.

The collections process continues through to foreclosure where the delinquent owner is responsible for all assessments, late fees, interest, legal fees, and any other charges related to the collection of the delinquent account.