

Policy on Application of Owner Payments –
Owner Account Balances
Fairwood Greens Homeowners’ Association

Due to our legal counsel recommendations the Board of Trustees has adopted the following Policy for how owners’ payments will be applied to owner accounts and delinquencies:

Terms: Total is due 30 days from Statement Date payable to Fairwood Greens Homeowner’s Association. Annual / Bi-Annual payments are accepted. An owner can pay the annual amount in full at beginning of the year and/or Payment Bi-Annual (Twice Yearly – January and/or July).

Interest/Late Charges/Fees: Interest is due on delinquent accounts at the rate of .5% per month (6% per annum) on the unpaid balance and a monthly late charge of \$50.00 will be applied. A \$100 fee will be charged for returned checks.

Application of Owner Payments: The Association shall apply all payments by or received from an Owner, or from collection enforcement efforts to the Owner’s outstanding balance in the following order:

- Attorneys’ fees and costs
- Late fees and interest
- Fines
- Special Assessments; and
- Regular Assessments, with payment being applied to the oldest balance first.

No partial payments will waive the Association’s right to pursue full payment and/or enforce its governing documents (Declaration of Covenants, Articles of Incorporation, Bylaws, and Rules and Regulations).

Owner payments endorsed with or accompanied by a writing with Owner’s instructions or demand that the payment is to be applied only to current assessments will be rejected and returned to Owner if there are also interest, late charges, attorneys’ fees, or other costs incurred by the Association regarding collection efforts (collectively “other charges”). This is necessary because state law prohibits foreclosing on a lien unless it includes a minimum of \$200 or three (3) months of delinquent assessments, excluding other charges. Accordingly, if an owner’s payment is applied only to delinquent assessments the Association loses its right to foreclose on a lien which may or does include other charges, which unreasonably harms the Association’s ability to collect other reasonably incurred charges.

Association Recourse: Preparation of Liens, Lien Foreclosure, and Fine procedures include all associated costs including but not limited to interest owing, attorneys’ fees, Association administrative fees, filing and recording of documents and fees for releasing recorded documents.

Contact: For questions concerning a Homeowner’s Account contact our Office Manager at 425-227-3997.

Adopted, Enacted, and Dated: February 22, 2022