

# La Roche Subdivision Collection Policy

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The Board of Directors of La Roche Subdivision has an obligation to collect all Association assessments in a timely manner. Based on the Association's CC&Rs and in compliance with the HOA Debt Collection Bill (HB1276), the following collection policy has been adopted by the Board.

## **Payment of Assessments**

**Statements** - The Association is not required to send billing statements to owners. Billing statements are optional and owners are responsible for timely payment of all charges regardless of receipt of a billing statement.

**Due Dates** - Payment of each monthly installment of the regular assessment is due on the 1st of each month, and assessments are past due after the 10<sup>th</sup> of each month. Payment of each special assessment shall be due and owing on the date stated on the notice of special assessment. This date shall be set at least 30 days after the date of the notice.

**Payments** - Payments are applied to the oldest invoice. Payments on delinquent assessment shall be applied first to assessments owed, then, after the assessments are paid in full, to late charges, interest, collection expenses, and any other charges. However, the Association and the owner can enter into a written agreement providing for funds to be applied in a different manner.

## **Delinquent Assessments**

**Past Due-Late Fee** - Payment is considered delinquent on the 10th of the month. A late fee of \$5 per day will be added to the owner's account. In addition, the Association shall be entitled to charge the owner for all reasonable collection costs, including attorneys' fees, incurred in the Association's efforts to collect the delinquent sums. The Association shall also be entitled to charge a returned check fee as charged by the bank.

**Decision to Record Lien** - Before an assessment lien may be recorded, the Board shall, in an open meeting, approve the decision to record a lien for delinquent assessments against the owner's property. This decision shall be made by a majority vote of the Board members. The vote shall be recorded in the minutes of that meeting.

**Special Assessments** - If a special assessment is payable in installments and an installment payment of that special assessment is delinquent for more than 30 days, all installments will be accelerated and the entire unpaid balance of the special assessment shall be come immediately due and payable. The outstanding balance shall be subject to a late charge and interest as provided above.

**Pre-Lien Letter** - A pre-lien letter is sent to all record owners at their address(es) of record by certified mail informing the owner that the Association shall record a lien against the owner's property if full payment of assessments and other charges subject to lien is not received within 30 days. The pre-lien letter may be sent by the Association or its designee. The owner will have an opportunity to enter into a payment plan by contacting the Board at 406 Ridges Blvd. #35. The owner may contact the treasurer, using the address above, to request a copy of the owner's ledger to verify the amount of the debt.

### **Additional Association Requirements per HB1276**

An Association will also be required to provide a delinquent owner with a one-time opportunity to enter into a payment plan, lasting at least six months, to bring their delinquent account current. In the event the association and a delinquent owner agree to a payment plan, the owner is also required to remain current in the payment of future assessment fees. If an owner fails to make the installment and/or regular assessment payment(s), the association may immediately proceed with additional action to collect the unpaid debt. The payment plan requirement does not extend to owners who do not occupy the property and took title as a result of a default on a mortgage (i.e. public trustee foreclosure) or association foreclosure.

In addition to the changes above, an association will not be able to foreclose its lien against a delinquent owner until the balance due equals or exceeds 6 months of assessment fees. For example, if assessment fees are \$300 per month, an association can foreclose once there is an \$1,800 balance on a delinquent owner's account. The balance can include items in addition to assessment fees such as interest, late fees, fines, attorneys' fees, and other charges permitted to be charged by the governing documents. Also, the board of directors will now be required to vote and formally approve the filing of a foreclosure action on any given account and cannot delegate this responsibility to an attorney, insurer, manager or any other person.