**Draft Date: 3/16/2025**

**The Nature’s Preserve of Twinsburg Homeowner’s Association Inc.**

**Collections and Late Fee Policy**

Effective Date: 3/17/2025

Last Revised: 3/16/2025

1. **Reason for Policy**

To establish a collection and late fee policy to create a consistent manner in assessing and collecting fees. Homeowners need to understand the collection policy and the rationale behind charging late fees , thereby protecting other homeowners from additional charges and allowing the association to stay on budget.

1. **Policy Statement**

This policy is intended to set guidelines for the Board to follow regarding the timing and amount charged for late fees and fines including those related to assessments. This policy also covers guidelines for collections of these late fees and delinquent assessments for all NP HOA members.

1. **Scope**

The scope of this policy covers annual assessments and fines for violations of bylaws, rules & regulations and design guidelines.This policy will be used for consistent enforcement of all NP HOA members. This policy will also be used for month to month delinquency of annual dues and non-compliance fines. This policy replaces the previous policy implemented in 2021.

**Definitions**

| **TERM** | **DEFINITION** |
| --- | --- |
| **NP HOA** | [Natures Preserve Subdivision](https://www.facebook.com/groups/NaturesPreserve/?multi_permalinks=4138844479526074&comment_id=4139508276126361&notif_id=1628557135610700&notif_t=feedback_reaction_generic&ref=notif) Home Owners Association |
| **Board** | NP HOA Board of Directors |
|  |  |
|  |  |

1. **Procedures**

| **TASK** | **PROCEDURE** |
| --- | --- |
| **General Assessment**  | The homeowner will be notified on January 11 that a late charge will be assessed due by the end of the month.  |
| **All Other Assessments** | Notice shall be given in accordance with Article V, Section 5.11 of the Declaration.  |
| **General Assessment Penalty** | A recurring late charge of $25 will be assessed due by the end of the month. See example 1.1 |
| **All Other Assessment Penalties** | A recurring late charge of $25 will be assessed due by the end of the month. See example 1.2 |
| **Costs** | Any cost, including attorney fees, recording costs, title reports, and/or court costs incurred by the HOA in the collection of delinquent assessments shall be added to the amount owed by the delinquent owner. Both of these apply to the collection of the general assessment as well as any other enforcement assessment.  |
| **Payments** | Any payments made to the HOA shall be applied in the following order:1) Interest and/or administrative late fees owed to the Association;2) Collection costs, attorney’s fees, paralegal fees and court costs incurred by the HOA in connection with the collection; and3) Principal amounts owed on the account for common expenses, special assessments or penalty assessments. |
| **Collections** | When a homeowner has accrued a balance of $450 or greater the homeowner’s account will be sent to collections to recoup the outstanding balance and any associated legal fees. |
| **Lien** | See Declaration Article 5.13When the homeowner accrues a balance of $650 the homeowner account will have a lien placed upon the property and will owe additional legal fees. |
| **Money Judgement** | NP HOA via an attorney can solicit authorization to file a Complaint for Money Judgment in Small Claims or Municipal Court. See Declaration Article 5.13.5 |
| **Foreclosure** | Once the homeowner has accrued an outstanding balance of $1000 the homeowner's property will be foreclosed upon. NP HOA will file an Answer to protect the Association’s interest. Once in foreclosure, partial payments may not be accepted and NP HOA will file a Motion to Appoint a Receiver to collect the rents and any additional legal fees. See Declaration Article 5.15 |

**Ex 1.1: Annual Assessment Example**

| **OUTSTANDING BALANCE** | **CHARGE** | **TOTAL DUE** |
| --- | --- | --- |
| **$350.00 (Jan 11)** | **$25.00 (initial late fee)** | **$375.00** |
| **$375.00 (Feb 1)** | **$25.00**  | **$400.00** |
| **$400.00 (Mar 1)** | **$25.00** | **$425.00** |

**Ex 1.2: Violation of Bylaw, Rules & Regulations, Design Guides Example**

| **OUTSTANDING BALANCE** | **CHARGE** | **TOTAL DUE** |
| --- | --- | --- |
| **$0** | **$25.00 (initial fine)** | **$25.00** |
| **$25.00 (30 Days)** | **$25.00** | **$50.00** |
| **$50.00 (60 Days)** | **$50.00**  | **$75.00** |