

## **FAIRWAY BOULEVARD TOWNHOUSES HOMEOWNERS ASSOCIATION**

### **Assessment Delinquency Policy**

The Board of Directors has the responsibility and authority to collect past due assessments under the Declaration of Covenants, Conditions and Restrictions (CCRs) and Bylaws. The Board of Directors wishes to formalize a delinquency policy to provide fair and consistent approach.

1. No formal action is taken until 30 days after the due date. At that time the Board of Directors shall send a letter from the Association to the Owner and interest begins to accrue at the rate of 9.00% per annum pursuant to Article V, Section 8 of the CCRs.
2. A final letter from Association sent when assessments/charges are at least 45 days past due but not more than 60 days past due, giving owner approximately 2 weeks to act before matter will be turned over to Association counsel. Such letter should provide that at such time as the unpaid assessment matter is turned over to counsel, the owner will be responsible for collection costs and attorneys' fees pursuant to Article III, Section 3 of the CCRs.
3. If the past due amounts remain unpaid, the Board of Directors will turn the matter over to counsel along with most current statement showing all past due amounts and accrued interest. Counsel will send letter giving two weeks to respond and indicating that if the owner does not respond a Notice and Claim of Lien will be filed.
4. Counsel will prepare and record a Notice and Claim of Lien if owner fails to bring past due amounts current. Counsel will provide copy of such lien to owner by Certified Mail, Return Receipt Requested.
5. If assessments, interest and collection expenses are not paid after Notice and Claim of Lien is filed, the Board shall determine the course of action on a case by case basis, considering the following:
  - Known hardship such as loss of job/income, financial difficulties, death or health issues, etc.
  - Any contact from the owner regarding extenuating circumstances
  - History of assessment payments
  - Other encumbrances on the owner's townhouse (Counsel can assist in identifying the encumbrances of record)
  - Number of other owners in arrears (i.e. is it creating a financial hardship for the Association?)

The options for the Board of Directors to consider:

- Take no further action and let the lien accrue interest until owner either sells the property or seeks a loan or refinance. At such time, the title company will collect payment at closing.

- Foreclose the Association's lien, keeping in mind that a first mortgage has a higher priority than the Association's lien and expense and time of the foreclosure process.
- Settle for a lesser amount if owner contacts the Association
- Bring legal action directly against the owner, considering likelihood of collecting on judgment and the expense of legal action.