

## Collection Policy Fells Cove Homeowners Association

The cornerstone of an effective collection process is an administrative resolution setting forth the Associations Policy on collection of delinquent assessments. The resolution outlined below has been enacted by the Board. It is the guideline used by the management company to take action on all delinquent accounts.

### Part A

1. Assessments are due on the **1<sup>st</sup>** of the **quarter** on Jan 1, Apr1, Jul 1 and Oct1 and are considered late after **30** days.
  - a. According to your associations Declaration or Bylaws a late fee of **\$0.00** will be charged **N/A** days after the due date. Interest will also accrue at **18%** per annum **30** days after the due date.
2. A late letter will be sent after **30** days, when the owner is more than **\$125.00** in arrears.
3. **A reminder letter (second late notice) will be sent after 15 days after the first late notice letter.**
4. An Intent to Lien letter will be sent **45** days after the second late notice and the amounts owed are more than **\$250.00** in arrears. This letter has a charge of \$100.00 to the homeowner.
  - a. If the owner has a balance of less then the above amount, a monthly reminder notice will continue to be sent.
  - b. A Final notice will be sent after the Intent to Lien letter if the homeowner makes only a partial payment.
5. After management has sent the letters, delinquent owners will be sent to legal counsel if the account is more than **\$250.00** in arrears **only with Board of Directors approval.**
  - a. If an owner is less than the above amount in arrears they will continue to be sent monthly reminder letters and continue to accrue interest and late fees until paid in full.

### Part B

If any homeowner is less than **\$50** in arrears **AND** this amount consists of only interest and late fees CMP may reverse the balance.

Initial to adopt Part B \_\_\_\_\_

### Part C

CMP offers a payment plan for homeowners who are having a difficult time getting caught up on their account. The plan offers homeowners the option to pay ½ of the balance including late fees and interest, followed by three equal monthly payments of the outstanding balance. The homeowner must also keep caught up on any new assessments. **The Board of Directors would like the verbiage offering payment plans to be on every collections letter sent out.**

Initial to adopt Part C \_\_\_\_\_

## Motion to Adopt