

Sudden Valley Community Association

Policy: Delinquent Accounts Policy
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Purpose: The Board of Directors recognizes and acknowledges that non-payment of dues and assessments can adversely impact the ability of SVCA to provide services to its members and adequately maintain its assets.

Policy: The Board now establishes the following guidelines and parameters for the Association to collect delinquent dues and assessments from its members as provided under Section 19 of the Association's By-laws.

Definition: Delinquent Accounts – Those that reflect an unpaid balance after the established due date.

Procedure:

- The payment due date for dues and assessments will be the first day of each calendar quarter: January 1st, April 1st, July 1st and October 1st.
- Unpaid balances will be assessed a finance charge beginning the first day of the month following the due date.
- The amount of the finance charge will be the highest amount allowable by law, currently 1% per month or, 12% APR.
- Further collection efforts shall include, but not be limited to: Acceleration fees, Collection Letter(s), Phone Calls, Referral to a Collection Agency, Filing of Liens Against the Delinquent Property, Small Claims Court Proceedings, Garnishment of Wages, Seizure of Assets and Foreclosure.
- All fees and costs associated with the collections activity of the Association shall be charged to the delinquent account as provided under the Association's By-laws.
- All Collection activities of the Association, by its designees and/or by its attorneys shall comply with all applicable laws and regulations regarding the collection of delinquent accounts and/or delinquent homeowner association dues and assessments and with its governing documents.
- The Association shall not pursue further collection activities once a balance has been disputed. However quarterly statements may still be mailed to the property owner until the dispute has been resolved by the Board of Directors at which time the Association's normal collection activities may resume.
- Arrangements to make payments toward a delinquent balance require the approval of either the General Manager or the Accounting Manager

and will be confirmed in writing by the Association. Finance charges will continue to accrue on the unpaid balance until the account is paid in full, although other collection activity may be abated while payments are being made according to the arrangement. Failure to make payments as arranged will result in the resumption of the Association's normal collection activities and may also result in the loss of the privilege to make alternative payment arrangements in the future.

- The Association may choose to accept a Deed in Lieu of Current and Future Dues or in Lieu of Foreclosure. Such an arrangement will require the approval of the General Manager, if the account balance is less than \$10,000, or the Board, if the account balance is in excess of \$10,000.