

Date: May 19 Board  
Page: 4  
Subject: Collections for Delinquent Accounts Policy

---

**POLICY:**

The SVCA Board of Directors approved the Collection for Delinquent Accounts Policy to read as follows:

**COLLECTIONS POLICY FOR DELINQUENT ACCOUNTS**

**Purpose:**

Board of Directors recognizes and acknowledges that non-payment of dues and assessments can adversely impact the ability of sudden Valley Community Association to provide services to its members and adequately maintain its assets.

The Board therefore has established 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:**

For the purposes of this policy, delinquent accounts will be defined as those that reflect an unpaid balance after the established due date.

**Policy:**

- The payment due date for dues and assessments will be the first day of each calendar quarter: January 1<sup>st</sup>, April 1st, July 1st and October 1<sup>st</sup>.
- 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 of Dues, 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, Section 19.
- 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.

**Bankruptcies:**

- The Association shall not pursue further collection activities once a property owner has declared bankruptcy. However quarterly statements may continue to be mailed to the property owner until the bankruptcy has been discharged, at which point the Association's normal collection activities may resume.

**Disputed Balances:**

- Should the property owner dispute the balance due on their account, they must do so in writing and must provide written documentation that supports their assertions. 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 at which time the Association's normal collection activities may resume.

**Payment Arrangements:**

- Arrangements to make payments towards 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.

**Deeds in Lieu of Current & Future Dues or in Lieu of Foreclosure:**

- The Association may choose to accept a Deed in Lieu of Current & 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.

Rev. 5/15/2003

COLLECTIONS POLICY FOR DELINQUENT ACCOUNTS

---

Cancelled/Superseded

Date: Attachments  
By: Policy No.(s)