SUDDEN VALLEY COLLECTIONS POLICY (Amendment April 24, 2025) 2025.03

Note: This policy serves as a general guide for staff in administering Article III, Section 19 of the Bylaws and complies with RCW 64.38.100, as amended.

The General Manager may, if appropriate, accelerate lien recordation or legal action after an account becomes late (e.g., repeat delinquency, property sale), subject to the procedural requirements below.

Normal Dues Collections

- All member dues, fees, and assessments are due on the first day of the billing period ("Due Date"). Monthly payments may be authorized via automatic bank withdrawal.

Late Accounts (30 Days Past Due)

- Accounts which are not fully paid within 30 days from the Due Date are "Late" and incur a $25 late fee.
- Accounts which are not fully paid within 60 days from the Due Date are "Late" and incur an additional $35 late fee.

Delinquent Accounts (90 Days Past Due)

- Accounts which are not fully paid within 90 days of the Due Date are "Delinquent" and will immediately begin accruing 1% monthly interest (12% per annum) on the total due.
- A **First Pre-Foreclosure Notice**, in compliance with RCW 64.38.100(1)(a), will be mailed by first-class mail to the lot address and any address provided by the owner. This notice is set forth on Exhibit A hereto. The mailing will also include a separate notice notifying the owner as follows:
    - The total amount current due, including assessments, late fees, interest, and other charges. The notice will indicate that all collection costs, including attorneys' fees, will be charged to the account.
    - A statement that if the account remains unpaid, a lien may be filed against the property and that legal action, including foreclosure, may follow.
    - A statement that the Owner may contact the Administration Office to discuss payment options with the General Manager.

- A Second Pre-Foreclosure Notice will be mailed by first-class mail (no sooner than 60 days after the First Notice) to the lot and owner-provided addresses, in the form attached as Exhibit A.
- The mailing will also include a separate notice notifying the owner as follows:
    - The updated balance (assessments, fees, interest).
    - A final offer for an alternative payment plan.
    - Notice that a lien will be filed within 15 days unless payment is received.

Lien Filing (165 Days Past Due)

- At 165 days past due, a lien will be recorded with the Whatcom County Auditor's Office, adding a $675 lien fee. The lien shall include all unpaid dues and assessments, special assessments, accrued interest, attorneys' fees, lien recording fees and other collection fees. A "Lien Notification Letter" will confirm this action and warn of potential legal action.

Foreclosure Prerequisites (Post-180 Days)

- Foreclosure may proceed only if:
    - The owner owes the greater of (a) three months of assessments or (b) $2,000 in assessments. In calculating the foregoing, fees, interest, and costs are excluded.
    - At least 90 days have elapsed since the minimum amount accrued (effective January 1, 2025).
    - The SVCA Board of Directors approves foreclosure against the lot subject to the lien.
- A Legal Action Warning Letter will be sent by certified mail at 180 days past due, stating the lien filing, the foreclosure intent, and a 15-day payment deadline to avoid legal action.

Legal Action (180+ Days Past Due)

- If the account is not fully paid within 15 days after the warning (195 days total) and a payment plan has not been executed, the General Manager, in consultation with legal counsel, may initiate a small claims action. Any lien foreclosure action to be undertaken must be approved by the Board. All processes (method, advertising, timing, etc.) must be commercially reasonable per RCW 64.38.100(3).

Judgments and Enforcement

- Unpaid judgments are subject to collection remedies provided by law, including property foreclosure. SVCA's counsel will offer recommendations on a case-by-case basis.

Alternative Payment Plans

- The General Manager may, for good cause shown, enter into payment plans on SVCA's behalf with a member who is delinquent. All payment plans will be documented on a form which has been pre-approved by SVCA's legal counsel (terms not exceeding 12 months). The General Manager will report to the Board all payment plans which have been executed.
- Payment plans are offered at the sole discretion of the General Manager. No member has a right to a payment plan.
- Payment plans are not to be construed as a waiver of any right of SVCA.

Cancellation

Supersedes Policy Nos. 2015-06, 2014.09 and 2010.02.

Approval

Approved: X Not Approved: _____ SVCA Board of Directors

Signed: Keith McLean Date: 4.29.25

Keith McLean, SVCA Board President

EXHIBIT A

THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS FROM THE UNIT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS. THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOU LOSING YOUR HOME.

CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW to assess your situation and refer you to mediation if you might benefit. **DO NOT DELAY.**

BE CAREFUL of people who claim they can help you. There are many individuals and businesses that prey upon borrowers in distress.

REFER TO THE CONTACTS BELOW for sources of assistance.

SEEKING ASSISTANCE

Housing counselors and legal assistance may be available at little or no cost to you. If you would like assistance in determining your rights and opportunities to keep your house, you may contact the following:

The statewide foreclosure hotline for assistance and referral to housing counselors recommended by the Housing Finance Commission

Telephone: 877-894-4663

Website:
http://www.dfi.wa.gov/consumers/homeownership/post_purchase_counselors_foreclosure.htm

The United States Department of Housing and Urban Development

Telephone: 800-569-4287

Website:
http://www.hud.gov/offices/hsg/sfh/hcc/fc/index.cfm?webListAction=search&searchstate=WA&filterSvc=dfc

The statewide civil legal aid hotline for assistance and referrals to other housing counselors and attorneys

Telephone: 800-606-4819

Website: https://nwjustice.org/what-clear