

## **Association**

### **Collection of Assessments Policy**

WHEREAS, Article (#) of the Declaration of Covenants, Conditions and Restrictions for (HOA NAME) contains the covenant for assessments,

WHEREAS, there is a need to bring this procedure for the collection of assessments to view by the community in one document for ease of reference, and

WHEREAS, it is the intent of the Board of Directors to comply with and implement the procedures for the collection of assessments,

NOW, THEREFORE BE IT RESOLVED that the Board of Directors has adopted the following policy.

1. Assessments and Due Dates: Regular assessments shall be levied annually in (**Monthly, Quarterly, Semi-Annual, Annual**) installments and are payable on the first day of each calendar (**Month**). Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the assessment or in the ballot presenting the special assessment to the members for approval. Regular and special assessments in whole or in part shall be delinquent if not paid within (**5, 10, 15, 30**) days after they become due.
2. Late Fees & Interest: When an installment payment of a regular assessment or a special assessment in whole or in part becomes delinquent, the owner's account with the Association shall be charged with a late payment of (**\$. \$\$**) per month and is subject to interest at the rate of (**##**)% per annum (**##**% per month) calculated on the applicable balance.
3. Assignment of Account for Collections: If the owner's assessment account remains delinquent for more than 60 days in whole or in part of, the Association shall assign the account to a Collection Agency for further action. The Association may pursue one or more of these alternatives: (1) non-judicial foreclosure proceedings, (2) court action, or (3) judicial foreclosure.
4. All Recoverable Costs: As provided by law, any costs and fees incurred in processing and collecting delinquent amounts, including, without limitation, late and interest charges, management or collection company administrative costs, charges of preparing and mailing notice, intent and/or demand letters, recording costs, legal expenses, costs associated with small claims court actions and the like shall be an additional charge against the owner and the owner's lot and shall be subject to collection action pursuant to this Policy.
5. Notice of Intent to Lien: If an account remains unpaid for 60 days after it becomes delinquent, whole or in part of, the Collection Agency shall send an "Intent to Lien Letter" to the unit's owner(s) in accordance with Nevada Revised Statutes. The Collection Agency shall notify the unit's owner(s) by certified and first class mail that a lien will be recorded against the unit's owner(s) lot unless the entire balance of the account is paid within 10 days from the date of the letter. The Collection Agency may require that the payment be made in certified funds.
6. Recording of the Lien: A Lien for Delinquent Assessments shall be recorded in the County Recorder's Office if within the given timeframe, the owner fails to pay the entire balance of the account, which may include but not limited to, the following: delinquent assessments, interest, late fees, management administrative fees, attorney's fees and collection fees and costs.
7. Foreclosure: The Association has the option to proceed with foreclosure whether judicially or non-judicially. Once the Lien for Delinquent Assessments is recorded and mailed, pursuant to Nevada Revised Statutes, and goes unpaid for no less than 30 day after the mailing of the Lien for Delinquent Assessments.

8. Payment Agreement: Requests for Payment Agreements must be submitted by the unit's owner(s) in writing. Payment Agreement requests must be submitted to the Board for approval. The Board may from time to time allow the Collection Agency to enter into Payment Agreements of limited term and conditions on behalf of the Association. The Board will determine acceptable terms and conditions and notify the Collection Agency in writing. Any requests for terms other than those pre-approved by the Board require the approval of the Board prior to the execution of the agreement. The Agreement allows the owner to make scheduled partial payments on the entire balance owing, in addition to the current assessments. Failure to meet any terms of the written agreement shall give the Association and/or its Collection Agency the right to immediately continue the collection process without further notice to the owner bringing all amounts due and payable.
9. Recovery of Legal and Collection Fees and Costs: If a lawsuit or a foreclosure proceeding is initialized by the Association to recover assessments, the Association is entitled, by law, to not only recovery of the amounts in default, late charges and interest, but additionally all collection fees and costs including title company and posting and publishing company charges and legal and attorney's fees.
10. Write-Offs: The executive board must approve all write-offs of debt.
11. Updates and Reports: The association will receive timely updates and reports as necessary.
12. Effective Date of this Policy. This policy was duly adopted by the action of the Board of Directors on \_\_\_\_\_, 20\_\_\_\_, and shall be effective as of the same date.
13. Policy Adoption: This resolution of the Board of Directors for \_\_\_\_\_ has been duly adopted at the \_\_\_\_\_, 20\_\_\_\_ meeting.

By: \_\_\_\_\_  
President

Attested By: \_\_\_\_\_  
Secretary