

## **PAST DUE ACCOUNTS COLLECTION POLICY**

All dues, assessments, storage and lot maintenance fees, fines, hereinafter referred to as "fees", are due upon receipt of the invoice. If the fees are outstanding after 90 days, the account will be considered delinquent. Interest shall accrue beginning on the 91st day and continuing until the balance is paid. The annual interest rate shall be 18%.

The following policy will be implemented to collect the unpaid balances. In addition to the collection process, the delinquent account's POA rights and privileges shall be revoked until such time as the balance due is paid.

### **Accounts Past Due After 90 Days** -- Letters #1 & #1a

- After an account is deemed unpaid after 90 days a letter will be sent to the owner of record requesting their account be brought current within 30 days of the date of the letter
- The letter will also include:
  - A suggestion to call the POA Treasurer to discuss specific circumstances/issues regarding the past due account
  - A notation that if the account is not current at the end of the 30 day period, the POA will turn the account over to a Collection Agency to follow for payment; any fees associated with this action and any other action associated with collection efforts will be the responsibility of the owner and included in the balance due the association
  - The letter will include specific dates and not phrases such as "15 days"
  - A statement outlining the interest, penalties & fees will be included in the letter
  - The letter will be signed by the President of the POA
- A self-addressed envelope will be included with the correspondence to facilitate the mailing of the past due amount to the POA

### **Accounts Past Due After 120 Days** -- Letter #2

- When an account is past due for 120 days another letter will be sent to the owner of record stating the account will be turned over to a Collection Agency for collection efforts if the POA does not receive payment within 15 days
- The letter will also include:
  - A reference to the original letter
  - A statement summarizing what is owed the association
  - A statement advising the owner of record that this action by the POA will likely affect their credit rating
  - A statement noting the POA, per the Master Declaration of Covenants, Article V, Section 8, stating the failure to pay fees shall become a lien upon the property should the POA elect to take such action
  - A suggestion to call the POA Treasurer to discuss specific circumstances/issues regarding the past due account
  - The letter will be signed by the president of the POA

If the efforts of the Collection Agency are not successful after a reasonable period of time the POA can file a lien against the property as a record of title that monies due the association. The POA can initiate foreclosure proceedings deemed appropriate.

Adopted by LFBOD October 13, 2011