

THE NARROWS HOA

Collections Policy

(Adopted November 8, 2022)

ROUTINE BILLING AND COLLECTIONS:

Bills for regular annual dues will be rendered each year 30 days prior to the initial due date of March 31st.

Special assessments carry the same payment obligations as regular dues and are due and payable within 30 days of being rendered to the resident. The same penalties and interest apply to special assessments as to regular assessments.

PAST DUE ACCOUNTS - LEVEL 1:

Payments are due on March 31st and are past due 30 days after the due date. The CC&Rs call for a 5% penalty for late payment and a 1% per month interest charge.

PAST DUE ACCOUNTS - ESCALATION 1:

The board will issue of 30-day notice of intent to file a lien on past due accounts over 30 days after its due date.

PAST DUE ACCOUNTS - ESCALATION 2:

Accounts that are 3 or more months in arrears will be subject to a lien being filed with Pierce County. The resident will be subjected to additional expense in the form of the actual cost of filing the lien, attorney or associated legal fees and any expenses incurred filing the lien (notary, courier, bridge tolls, mileage etc.). These will all become a portion of the collectible balance and will be subject to the same late fees as regular dues.

Liens will only be lifted when dues are cleared in full or in conjunction with a bona fide escrow account in the case of the sale of the home. Payments must be made by Guaranteed funds (i.e., Cashier's Check) or there will be a 10-day waiting period before the release of lien is filled with the county.

PAST DUE ACCOUNTS ESCALATION 3:

If it is determined that the account will be turned over to outside collection efforts, the residents will be sent a final 30-Day notice by certified mail, return receipt. The selection of the collection method to be used will be explained in the letter with the options the homeowner has to clear the obligation. Once turned over to the collection service the board or its representatives will defer **all** communication to the agency involved in the collection process in order to ensure that all collections laws of the state and federal regulations are complied with.

Initial collections actions will be at the recommendation of the HOA's attorney(ies), agreed to by the HOA Board and follow all statutes enacted by local, state or federal governing entities.

PAST DUE ACCOUNTS ESCALATION 4:

Further legal actions to be considered and undertaken to affect the collection of obligations due to the HOA will be on the advice of the HOA attorney(ies) and agreed to by the HOA Board. The actions to be undertaken may be to the fullest extent allowed by law.

PAST DUE ACCOUNTS SPECIAL CONSIDERATIONS:

In cases where the HOA has received notification of bankruptcy or foreclosure, collection efforts may be restricted. Consulting with the HOA's attorney(ies) is required in this situation.

If a home is foreclosed on by the lending financial institution communication directly with the lender needs to be initiated. Depending on the process used we may still be able to collect 100% of outstanding obligations via the lender, however, note that the law currently indicates that the homeowner still holds the obligation, and we may need to continue to pursue collection through the homeowner.