

## **SOUTHERN VILLAGE HOMEOWNERS ASSOCIATION**

### **Collection Policy and Procedures**

- Invoices for annual assessments are mailed to all members in January.
- Invoices for monthly townhome assessments are not mailed.
- Annual assessments are due by March 1<sup>st</sup>.
- Townhome assessments are due the 1<sup>st</sup> day of each month.
- Beginning March 1<sup>st</sup>, payments received from townhome members will be applied first to the annual assessment, and then to the monthly townhome assessment.
- Otherwise, payments are applied to the oldest charges first.
- If payment is not received within 30 days, a \$20 late fee will be added and delinquent notice mailed. This will be repeated every 30 days until the account is current.
- If payment is not received within 120 days, a final notice will be mailed stating that if payment is not received within 15 days, the account will be turned over for collection and the member will be responsible for all collection costs. This letter conforms to both the Federal and North Carolina Fair Debt Collections Act.
- Prior to turning the account over to the attorney for collection, the treasurer will be informed and will approve subsequent steps. At this point, when appropriate, the treasurer or a Board member may attempt personal contact with the delinquent homeowner.
- If payment is not received within 150 days, the Association's attorney will file a lien on the property securing all amounts owed, including all delinquent assessments, attorney fees, late fees or other fees that subsequently accrue.
- If payment is not received within 180 days, the Association's attorney will send an "intent to foreclose" letter. This letter will provide a pay-off balance, including all delinquent assessments, attorney fees, late fees or other fees that subsequently accrue. This letter will state that the member has 10 days to pay the balance in full, or to otherwise negotiate acceptable payment arrangements, or the attorney will file a foreclosure action.
- If payment is not received within 210 days, the HOA attorney may initiate foreclosure on accounts with balances over \$500. Initiation of foreclosure requires the approval of the SVHOA Board of Directors.
- At each SVHOA Board meeting, the Management Company will provide an updated report on the status of delinquent accounts referred to the Association's attorney.