

# North Country Estates

~~~~~ *A deed protected community* ~~~~~

www.nce-hoa.org

979-450-4763

P.O. Box 6896, Bryan, TX

## BOARD POLICY & PROCEDURES

### Collection of Dues in Arrears

**PURPOSE:** *This document supplements the Bylaws regarding the collection of member accounts in arrears, as well as the Board policy titled "Annual Dues Assessment". The following policy has been adopted by the Board at a regular meeting of the Board of Directors.*

As a formally incorporated association authorized by the Secretary of State, the North Country Estates (NCE) Homeowner's Association is charged with certain responsibilities regarding the care and continued legal status of the Association. Accordingly, the Association must have the financial ability for the Board of Directors to carry out its fiduciary responsibilities of managing the daily affairs of the Association on behalf of the membership. Additionally, the Board of Directors desires to adopt a uniform and systematic procedure to collect member accounts in arrears so members may be accordingly informed of the process.

Therefore, the Association hereby adopts the following policy and procedures for the collection of dues assessments in arrears and any other charges relates thereto:

- 1. Assessment Due Dates, Interest, and Late Fees:** The annual dues assessment along with the due dates, interest and late fees are outlined in a separate Board policy document titled "Annual Dues Assessment", adopted by the Board at a regularly scheduled Board of Directors meeting. Refer to that policy document on the website for details on these subjects.
- 2. Payments Plans, Acceleration & Costs:** For member accounts that are two years or less in arrears, the Board of Directors, at their option, may offer a payment plan to the member who demonstrates a financial need as well as the desire to correct their delinquent account. On accounts over two years in arrears, the Board does not offer a payment plan unless the member applies for such and demonstrates a financial need and a desire to correct their delinquent account, and the Board of Directors agrees that it is in the best interest of the Association membership. If the member is on a payment plan and defaults in paying an installment on any assessment levied against his/her property for 30 calendar days beyond the due date, the Association shall accelerate the remainder of the of the assessment installment and declare them due and payable in full. All payments will have a processing cost of \$10.00 per payment. If a Court has ordered the payment plan, the fee will be waived.
- 3. Return Check Charges:** In addition to any and all charges imposed under the Association Bylaws or Policies, a twenty-five dollar (\$25.00) fee shall be assessed against the Owner in the event the check or other instrument payable for the benefit of such Owner is not honored by the bank or is returned for any reason whatsoever, including but not limited to insufficient funds.

- 4. Application for Payment Made to the Association:** Payments received from an owner will be credited in the following order: 1) Collection Costs, 2) Interest on Past Due Assessment, 3) Late Fees, 4) Past Due Assessments.
- 5. Referral of Delinquent Accounts:** The Association shall refer delinquent accounts to its attorneys for legal review before the judiciary collection process is initiated.
- 6. Collection Letters:** After the assessment and fees due the Association becomes one (1) year or more past due, the Association will prepare a 'final demand notice' to be sent to the property owner in the form of a USPS certified receipt acknowledgement letter, or other courier means as may be selected by the Board of Directors. If payment in full is not received within 30 calendar days from the date the notice was mailed and no communications has been received by the Board of Directors from the member in arrears, the Board will consider the homeowner as non-responsive. The case shall be sent to the Association attorney for review and preparation for collection through the courts.
- 7. Collection Costs on Delinquent Accounts:** As permitted under the Bylaws, the Association shall be entitled to recover reasonable collection costs, including any attorney fees incurred by the collection of assessments in arrears, or other charges due the Association from the delinquent owner. The reasonable collection costs incurred by the Association shall be the responsibility of the homeowner and shall be due and payable by the homeowner upon demand by the Association.
- 8. Board of Directors Waiver:** The Board of Directors may grant a waiver of any provision herein upon petition in writing by the owner showing personal hardship. Such relief granted to an owner will be appropriately documented in the files with the names of the person(s) representing the Board of Directors granting the relief and the conditions of the relief. In addition, the Board of Directors is hereby authorized to extend the time for filing law suits, or to otherwise modify the procedures contained herein, as the Association shall consider appropriate under the circumstances. Homeowners applying for a waiver must submit appropriate documentation of claim of hardship to the Board of Directors.