

HOA Collection Policy Explanation

Not all homeowners associations are made equal. Therefore, HOA collection policies can differ from one association to another. Generally speaking, though, there are a few things that should come standard in every collection policy. When it comes to HOA collection policy requirements, every policy should outline the following:

- Determine when fees are due;
- Establish when fees are considered “delinquent”;
- Detail any fees that an HOA can charge against a delinquent owner;
- State the member’s right to dispute the delinquency (through internal or alternative dispute resolution);
- Describe the steps the HOA can take when attempting to collect unpaid dues; and,
- Identify any third-party service providers the HOA can hire when attempting to collect unpaid dues (collection agencies, lawyers, etc.).

It is worth noting that a written collection policy is not usually mandatory. Though, it is still well worth adopting a formal and written policy to keep things consistent. Even smaller associations, which are less likely to face delinquency issues, can benefit from establishing a written policy. In fact, it can hurt the association if it chooses to simply play it by ear when handling a delinquent

Kelly Pointe CCR description of collections

Section 6.4 Effect of Non-Payment of Assessment: Lien, Personal Obligation, and

Remedies of Association. The lien of the Association shall be effective from and after recording in the public records of St. Johns County, Florida, a claim of lien stating the description of the Lot encumbered thereby, the name of the Owner, the amount and the due date. Such claim of lien shall include assessments which are due and payable when the claim of lien is recorded as well as assessments which may accrue thereafter, plus interest, costs, attorneys’ fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record, and the affected Owner shall pay the cost of such satisfaction. **If the assessment is not paid within fifteen (15) days after the due date, the assessment shall bear interest from the due date up to the highest lawful rate, the Association has the option, but not the obligation, to assess late fees or fines permissible by law,** and the Association may at any time thereafter bring an action to enforce the lien authorized hereby by appropriate foreclosure proceedings and/or a suit on the personal obligation against the Owner. In the event the Association shall fail to bring such an action for collection of such delinquent assessment within thirty (30) days following receipt of written notice from any Owner demanding that such proceedings be commenced, such Owner shall be authorized to institute such proceedings. There shall be added to the amount of such delinquent assessment the costs of collection incurred by the Association, or such Owner, which shall specifically include without limitation reasonable attorneys’ fees for trial and appeal. Upon receipt of a written request therefor from any Owner, the Association

shall provide such Owner with a written statement of all assessments and other charges due or to become due from such Owner to the Association, which shall be binding on the Association through the date indicated on the Association's written statement. The Association may charge a reasonable fee for providing this written statement.
account.

Kelly Pointe Collection Policy

1. All annual assessments are due January 1 of each year.
2. An account is considered delinquent if payment is not received prior to January 15th of each year.
3. An interest rate of 18% per annum will be added to the balance of all delinquencies. This balance is cumulative until such time the bill is paid in full.
4. An additional late fee of 5% of the total balance due, will be added at the end of each month that the delinquency has not been paid.
5. Any member has the right to dispute the any late fee. All disputes will be directed to the HOA board of directors.
6. If collections fail to be resolved by May 1 of that given year, and the member has not presented a case for lack of payment, the delinquency will be turned over to an attorney at the boards discretion and a lien will be placed on the property of the delinquent member for the balance owed at that time. Further failure to rectify the delinquency will result in foreclosure proceedings, in accordance with state regulations.