**POLICY A**

**COMMUNITY ASSOCIATION ASSESSMENT & LATE FEE POLICY**

**Issaquah Highlands Community Association**

Resolution 12-011: Late Fee Policy

Approved: November 28, 2012

Revised August 1, 2023

Effective: September 1, 2023

WHEREAS, the Board of Directors of Issaquah Highlands Community Association under Covenants, Conditions and Restrictions (CC&R’s) section 8.7 has the authority to establish a late charge for any assessment, and other fees, unpaid after the due date, and

WHEREAS, the operation of the Issaquah Highlands Community Association is based on a timely cash flow as established in the operating budget, and

WHEREAS, late charges are a customary fiscal management tool for encouraging the timely payment of assessments,

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors for the Issaquah Highlands Community Association enacts the following late fee policy:

Late Fee Policy

This policy incorporates and/or supersedes resolution 09-008 IHCA Late Fee Policy and all prior policies, but in no way negates any specific stipulations in the governing documents.

a) *LATE FEE/INTEREST:* Late fees and interest shall be applied according to the Late Fee Assessment Schedule *(below)* and in accordance with section 8.7 of the CC&Rs and/or subsequently implemented Consent to Actions by the Board. Additionally, interest shall be due the Association at a rate of 18% per annum from the due date of the assessment on all balances over 40 days past due. All late fees and interest become a lien on the property and a personal debt liability in the same manner as assessments, as set forth in CC&R’s.

 b) *NSF CHECKS/ACH:* Should a check/ACH (Direct Debit) be returned or rejected due to insufficient funds, the check/ACH will be re-deposited as allowed by bank policies and procedures with a $50.00 administrative fee charged to the account for each return NSF Administrative fees become a lien on the property and a personal debt liability in the same manner as assessments, as set forth in CC&R’s. Late fees/interest charges shall apply to all accounts delinquent due to an NSF checks/ACH.

 c) *VOTING RIGHTS:* Following notice under section 4.24 of the By-Laws, any assessments reaching 30 days past due and reaching delinquent status, all owner voting rights shall be suspended until such a time as all assessments and outstanding fees/interest have been paid in full, pursuant to section 4.24 of By-Laws.

 d) *PRIVILEDGES:* Unless an alternate payment schedule has been established and implemented with the consent of Management as authorized by the Board, all owner rights to utilize, athletic courts, parks, and other amenities belonging to and/or funded by the Community Association shall be suspended, following notice under section 4.24 of the By-Laws, effective on the date payments become 40 days past due. Privileges will remain suspended until payment is made in full or until payment plan has been approved and implemented.

 e) *PAYMENT PLANS:* When the financial situation of a homeowner necessitates an alternate payment plan, a temporary payment schedule may be approved. The amount of payments will be established to accommodate the homeowner and bring the account current as soon as possible. Prior to acceptance of an alternative payment plan by Management as authorized by the Board, the homeowner will be required to sign an agreement outlining the temporary payment schedule. All applicable late fees and/or interest will continue to accrue and become a part of the payment plan until such a time that all balances are paid in full.

 f) *LEGAL ACTION:* Assessments constitute a personal debt and the Community Association may, on accounts 40 days or more past due or at a time that the Board deems necessary or upon the advice of Management or legal counsel, turn the account over to a collection agency and/or legal counsel to obtain a judgment against the homeowner. All fees associated with the actions of such agency or counsel shall be added to the outstanding balance and become a lien on the property and a personal debt liability in the same manner as assessments, as set forth in CC&R’s.

 g) *PROPERTY LIEN:* Should assessments remain unpaid for over 40 days or at a time that the Board deems necessary or upon the advice of Management or its legal counsel, the Association may file a lien against the property in accordance with CC&R’s. A lien shall be recorded for all accounts over $1,000 in delinquent assessments (excluding late fees).

 h) *FORECLOSURE:* Non-payment of an account, which includes but is not limited to assessments, fines, fees, and interest, may result in foreclosure of the Association’s automatic lien, as provide by the CC&R’s.

*HOMESTEAD PROTECTION***:** *As required by the State of Washington, homeowners are hereby notified that the Homestead Protection provided by Chapter 6.13, Revised Code of Washington, shall not apply in the event of an execution or forced sale in satisfaction of judgments obtained on debts secured by the Issaquah Highlands Community Association lien.*

**Collection Procedure:**

Except where necessary, the Executive Director will, without further direction from the Board, implement notice and collection action based on the following Late Fee Schedule:

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| **Delinquency** | **Monetary** |
| 30 Days | Late Fee $25.00 |
| 60Days | Late Fee $50.00 |
| 90 | Late Fee(s) $50.00; maximum total late fee $575 (within a twelve month period) |
|  |  |
| **Delinquency** | **Action** |
| 30 Days | Voting Rights Revoked |
| 90 Days | The following actions may be executed at 90 days delinquent or any points thereafter.* Legal Lien Recorded against property and letter demand of payment letter from Attorney.
* All related legal expense associated with collection of past due accounts will be applied as an assessment to the owner ledger and payable by legal owner.
* Interest shall be due the Association at a rate of 18% per annum from the due date of the assessment.
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| 120 Days | May initiate commencement of Foreclosure and all related legal expense associated with collection of past due assessments payable by unit owner. |

*COLLECTION PROCEDURE EXCEPTION***:** *As required by law, upon receipt of Notice of Bankruptcy proceedings, all collection efforts for amounts due up to the date of filing will cease. The Board will investigate and pursue legal collection of past due funds through the bankruptcy process. Current/future assessments will be invoiced and payable as stated above for all amounts unrelated to the bankruptcy proceedings*

Approved by affirmative vote of the Board of Directors on November 28, 2012. Revised July 24, 2023, approved by the IHCA Board of Directors after 30-day public comment period.