



## Policy for the Collection of Delinquent Debts

Revision #2 April 2019

**Policy Purpose:** This policy explains the procedures to be followed in cases when MMSHOA is required to pursue the collection of delinquent debts from its members. This policy is necessary because delinquencies have the potential to impact the financial security and solvency of the MMSHOA.

### **Policy Procedures:**

1. The MMSHOA board of directors will maintain a list of all delinquent debts, and the board will periodically review the list to determine appropriate action.
2. MMSHOA members who are delinquent by greater than 30 days will be contacted by phone, and/or email, and/or sent a statement with a reminder to pay the overdue balance.
3. MMSHOA members who are delinquent by more than 60 days will be sent a letter via certified mail requesting immediate payment of delinquent debt. A copy of this policy will be included in the letter.
4. Delinquencies of greater than 75 days:
  - a) Will be referred to the board of directors for reasonable collection procedures, which may include turning over collection of the debt to a third party, filing a lien in court, or other action. Any and all costs associated with the collection of delinquent debt shall be the responsibility of the delinquent member.
  - b) Members will lose the privilege of using the beach access easement by deactivation of their key card(s). [More Mesa Shores Bylaws Article V 5.01 (o)]
  - c) Reasonable efforts to resolve a delinquent debt, including development of a reasonable payment plan, shall be made before the above actions are taken.
5. Late charges, interest, all fees and all costs associated with collection of delinquencies shall be applicable. [More Mesa Shores Bylaws Article V 5.17 (d) and CC&Rs Article VII 7.07]
  - a) Late Charges not to exceed 10% of the delinquent assessment amount
  - b) Interest shall accrue at 12% per annum upon all unpaid amounts, commencing 30 days after assessment becomes due
  - c) Notice of Delinquency filing fees, legal fees, and other professional collection fees.
6. The board of directors reserves the right to take additional/alternative action regarding the collection of delinquent debt using judgment believed to be in the best interests of the MMSHOA.