

BETHESDA OAKS HOMEOWNERS ASSOCIATION, INC.
COLLECTION POLICY
January 1, 2017

DEFINITIONS

HOMEOWNER: The legal owner or co-owners of a Lot (house or undeveloped lot) in the Bethesda Oaks Homeowners Association, Inc.

MANAGEMENT COMPANY: The Property Management Company (i.e.: Property Matters Realty, LLC) contracted by Bethesda Oaks Homeowners Association, Inc. to handle its business affairs.

COLLECTION PROCESS: A sequence of notifications given and legal actions taken to ensure dues are paid.

COLLECTION CYCLE: The 75-day time period for the collection process related to each semi-annual assessment billing.

BILLING: Assessments will be billed semi-annually on January 1st and July 1st of each year.

ASSOCIATION ATTORNEY: The lawyer who will issue liens and institute foreclosure proceedings when warranted on behalf of the Association.

CHARGES

1. Authority

The authority for the Bethesda Oaks Homeowners Association, Inc. to assess late fees and penalties for late payment of assessments is granted under Article V, Section 5.7 of the “Declaration of Covenants, Conditions, and Restrictions for Bethesda Oaks Homeowners Association, Inc” and state Statute 47F, also known as the North Carolina Planned Community Act.

2. Late Charge

A. If dues are not paid within 30 days of the original due date, a Bethesda Oaks Owner will be charged a late charge of \$20.00.

B. The Bethesda Oaks Homeowners Association, Inc. Board of Directors, at its discretion and upon receipt of a written request from the homeowner, may waive the late charge.

3. Suspension of Privileges

Failure to pay dues in a timely manner will result in the loss of community privileges by homeowner and guests after a required hearing.

COLLECTION POLICY

GENERAL PROVISIONS:

- A. Each homeowner will be billed for assessments, in advance, to be paid semi-annually. Billing will be mailed to each homeowner each January 1st and July 1st. The payment due date will be 30 days after the issue date.
- B. All billing notices will be sent to the mailing address of each lot on file with the Association’s records which shall be the property address unless the owner has notified the Association in writing, in accordance with State Law, of an alternate mailing address at which to receive all bills and notices from the Association. If an owner fails to receive any notification, it shall be the owner’s responsibility to contact the Management Company regarding mail issues and to make payments.
- C. Payment plans will be permitted only in cases of hardship, such as loss of employment, or if otherwise permitted by the Board of Directors, who will review all written requests from delinquent homeowners for a payment plan. Such written requests must be made prior to Step 3 and submitted to the Management Company. The periodic payments on an approved plan must be made by certified funds (money order or bank check). Homeowners paying according to a payment schedule may be subject to late fees and interest charges by the Bethesda Oaks Homeowners Association, Inc.

STEP 1: FRIENDLY REMINDER NOTICE

The Management Company will send a friendly reminder notice to the homeowner if a dues payment has not been received by the date due. No late fees will have been assessed

STEP 2: LATE NOTICE

The Management Company will send a late notice to the homeowner 30 days after the original due date demanding payment in full within thirty (30) days. The homeowner's account will be charged applicable late fees at this time.

STEP 3: CREDIT REPORTING

When an account is 60 days late, the Management Company, after a vote by the Board of Directors and at their direction, will file a report with Resolve Partners, a debt collection company located in Greensboro, NC. The delinquent account will be reported to the three major credit reporting agencies, TransUnion, Experian, and Equifax, and the report will detail the late payment history of the property owner. The Management Company will file a report with Resolve Partners when the account is paid in full.

Example: An owner fails to pay January dues by April 3. The account will be reported as late to Resolve Partners, who will report the delinquency to TransUnion, Experian and Equifax. The Property Management Company will notify the owner by mail.

STEP 4: 15-DAY DEMAND LETTER

In addition, when an account is 60 days late, the Management Company will also send a 15-Day Demand Letter demanding payment in full within fifteen (15) days in compliance with N.C. G. S 47F-3-116 if an account is still delinquent after receiving a Late Notice.

STEP 5: SMALL CLAIMS COURT FILING

The Board reserves the right to file a Complaint for Money Owed with the appropriate District Court Division - Small Claims to recover dues, late charges, interest and all costs associated with the court filing. This action may be taken against the Homeowner rather than filing a Claim of Lien.

The Complaint for Money Owed will be filed when an owner is delinquent for two consecutive collection cycles and the owner has not responded with payment to the terms of the most current 15-Day Demand Letter. The homeowner will be notified of this action as required by law. The Association reserves the right to exercise the Judgement in any fashion allowed by North Carolina General Statutes.

STEP 6: CLAIM OF LIEN

The Board reserves the right to file a Claim of Lien for the outstanding balance of a delinquent account that is not paid by the date specified on the 15-day Demand Letter. A Claim of Lien will be filed by the Association's Attorney with the appropriate District Court Division. After the Lien is filed the homeowner must deal directly with the Association Attorney until the Claim of Lien is satisfied by payment in full of all past dues, late fees, fines, attorney fees and court costs.

STEP 7: DEBT COLLECTION

At the same time a lien is filed on the property, the Management Company, after a vote by the Board of Directors and at their direction, will turn the delinquent account over to Resolve Partners, a debt collection company located in Greensboro, NC. The delinquent account will be reported to the three major credit reporting agencies, TransUnion, Experian and Equifax and Resolve Partners will begin debt collection procedures.

STEP 8: FORECLOSURE

The Board of Directors reserves the right to foreclose after a lien is filed. If the owner does not respond to the lien within a reasonable amount of time determined solely by the Board, the foreclosure process may begin in accordance with N.C.G.S. §47C-3-116(a) or §47F-3-116(a), as amended by House Bill 165 of the N.C. General Assembly (2011). After a specific resolution from the Board of Directors, the Association Attorney will begin proceedings to foreclose the lien. All attorney fees and legal costs are the responsibility of the delinquent homeowner. At this time, the legal fees incurred are on a per hour basis not including the previous amount charged to the homeowner.

ALL DELINQUENT ACCOUNTS THAT HAVE BEEN WRITTEN OFF BY THE ASSOCIATION BECAUSE OF LENDER OR TAX FORECLOSURE WILL BE TURNED OVER TO RESOLVE PARTNERS, A DEBT COLLECTION COMPANY LOCATED IN GREENSBORO, NC. FORECLOSURE DOES NOT ABSOLVE A PROPERTY OWNER OF THEIR FINANCIAL OBLIGATION TO BETHESDA OAKS HOMEOWNERS ASSOCIATION, INC.