

# Santo Tomas Villas Homeowners Association

## Collection Policy

### I. Introduction

The Board of Directors of Santo Tomas Villas Homeowners Association has a fiduciary duty to collect assessments. The Association's management company performs initial collection of assessments for the Association. What follows is the outline of the collection process as approved by the Board and as performed by Management and Counsel.

### II. The Collection Process

Management begins collection procedures when an individual lot owner is delinquent in paying assessments as follows:

**Letter One:** *Late Fee Invoice* sent to Homeowner – **30 days delinquent**. A late fee of 10% of the assessment is assessed 31 days after the invoice date of the assessment – invoices are dated January 1 and July 1. (*Late Fee Invoices are dated first business day of February and August.*) (Per Arizona Statute 33-1803, charges for the late payment of assessments are limited to the greater of fifteen dollars (\$15) or ten percent (10%) of the amount of the unpaid assessment.)

**Letter Two:** (Delinquent and Demand Notice) **Final Notice** sent to Homeowner – 60 days delinquent from date of Assessment Invoice. (*Delinquent letters dated first business day of March and September.*)

The Association must send a notice at least *forty-five (45)* days before sending a delinquent account to an attorney or collection agency. The notice must be sent to the Owner's address provided to the association, **certified mail, return receipt requested**, and may be included with other correspondence sent to the Owner regarding the Owner's delinquent account. *The notice should also be sent via regular mail.* **The cost to mail the demand notice certified mail, return receipt requested shall be added to the delinquent homeowner's account.**

*The notice must be either boldfaced type or all capital letters and include the contact information for the person that the owner may contact to discuss payment.* The notice must include the exact language below:

**YOUR ACCOUNT IS DELINQUENT. IF YOU DO NOT BRING YOUR ACCOUNT CURRENT WITHIN FORTY-FIVE (45) DAYS (by date) AFTER THE DATE OF THIS NOTICE, YOUR ACCOUNT WILL BE TURNED OVER FOR FURTHER COLLECTION PROCEEDINGS. PLEASE CONTACT (name of person(s) to contact) at management company name, 520-nnn-nnnn, TO DISCUSS PAYMENT. SUCH COLLECTION PROCEEDINGS COULD INCLUDE BRINGING A FORECLOSURE ACTION AGAINST YOUR PROPERTY. If your account is turned over for collection, those fees will be added to your outstanding amount.**

If the Owner has not responded to the correspondence, the account shall be automatically turned over to counsel for collection. If the Owner has responded to the correspondence, the Board shall evaluate whether to send the account to counsel for collection. After sending a demand letter, counsel may record a lien against the Owner's lot.

Management and the attorneys have no authority to negotiate reductions of the debts and have no authority to waive any assessments or fines. If a case has been referred to counsel, the Board of Directors may waive fines or late fees through counsel. If the case has not been referred to counsel, Management will enter into reasonable written payment arrangements.

**RESOLVED**, that the Board of Directors hereby approves the above Collection Policy for Santo Tomas Villas Homeowners Association, Inc.

**In WITNESS WHEREOF**, the undersigned have executed this revised Collection Policy as of *September 23, 2019*.

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*Joyce Garen – President*

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*David Andersen – Secretary*