



Millbrook Board Policy #10282009

Origin: 10/28/09, Revised: 12/15/09, by: CJY

- **Policy:** Millbrook Homeowner's annual dues collection policy
- **Purpose:** It is the purpose of this policy to refine a stated approach to the collection of annual homeowners' dues. Delinquent homeowners' accounts can often be neglected due to the difficulty in approaching a "neighbor" or an unawareness of the collection process.
- **Preface:** Millbrook Homeowners Association must rely on the timely receipt of annual homeowner assessments (dues) in order to properly function. Due to the non-profit characteristic of a homeowner association, the annual operating budget is a zero-based budget, in other words, the Association budgets to pay out everything it takes in. There is no profit or contingency in the budget. There is no room for a revenue shortfall. Simply put, uncollected homeowner assessments mean some operating expense can not be paid.
- **Duties:** It is the duty of the Millbrook Board of Trustees; Treasurer & Assistant Treasurer to mail specific dues notices to each property owner and collect all appropriate property owners' dues each year.
- **Action Plan:**
- **1st Action (All property owners):** Treasurer or Assistant Treasurer to determine appropriate dues notices, print & mail out property owner invoices for annual dues, boat slip fees and water fees
 - When: November each year
 - Expectation: Receipt of payment for all dues by the 1st of February.
- **2nd Action (uncollected accounts):** If a homeowner has not paid all appropriate dues the Treasurer or Assistant Treasurer is to mail a 2nd invoice including a \$25 late fee with firm letter requesting payment within 15 days
 - When: February 20th of each year
 - Expectation: Receipt of payment for all dues by the 7th of March
- **3rd Action (uncollected accounts): Implement a telephone call to overdue accounts.** If a homeowner has not paid all appropriate dues; a designated Board member, Treasurer or Assistant Treasurer is to call the homeowner's residence for request of payment on all dues by April 1st.
 - Try to determine the cause of non-payment and resolve the issue.
 - Is the homeowner in a temporary financial bind? If so refer the situation to Millbrook Board for discussion. Consider the value of maintaining a good relationship with the homeowner, as well as the need to collect what Millbrook is owed, and be prepared to offer assistance.
 - Resolve complaints, insist on a firm schedule, and put any agreements in writing. It is important to record the date and details of phone conversations.
 - **A suggested script for conversation to homeowner should be as follows, do not alter the script as some statements & phrases are unlawful under the Fair Debt Collections Practices Act (FDCPA). Call only between the hours of 8AM and 9PM, do not address homeowner in an abusive manner, make false statements, or add unauthorized charges to homeowner's invoice.**
 - Ask for appropriate person (Mr. or Mrs. Homeowner)
 - Identify yourself to homeowner with appropriate Millbrook title.
 - Ask the homeowner if they have received the appropriate Millbrook invoice, confirm the unpaid balances with them. If yes, proceed, if no ask for address verification and re-mail or email the invoice.
 - Remind the homeowner of their obligation to pay the invoice by the 1st of April. If the homeowner is unable to do so establish time frame to effect payments as agreed to by homeowner.
 - Repeat the payment arrangement and be sure to document all details correctly.
 - If payment is not acceptable to homeowner, inform them that the unpaid debit will be turned over to the Homeowner's Association legal consult for collections and may result in a lien placement or foreclosure of property.

- Send the homeowner a follow-up letter to verify the verbal agreement if acceptable to them.
- When: March 10th of each year
- Expectation: Receipt of payment for all dues by the 1st of April
- Remember the argumentative or non-communicative homeowner may be a candidate for timely use of legal counsel. The Board should consider using a legal counsel when:
 - they make repetitious, unfounded complaints
 - deny responsibility for the obligation
 - account delinquency coincides with serious marital difficulty
 - obvious financial irresponsibility is evident
 - homeowner fails to keep in contact
- **4th Action (uncollected accounts): Board discussion of course of action for each individual overdue account.** If a homeowner has not paid all appropriate dues the Treasurer or Assistant Treasurer is to notify the Millbrook President for Board discussion at the next Board of Trustee's meeting. If the Millbrook Board determines so, the final method of collection on overdue fees is to send it to legal counsel for collections.
 - When: After Spring Homeowner's Meeting on Memorial Day Weekend
 - Expectation: Receipt of payment for all dues by the 1st of June. Delinquent homeowners will then run the risk of liens being placed on property for overdue fees & legal fees.