

# Cedar Point Property Owners Association

## Billing and Collections Process

Annual Assessment invoices are mailed to all property owners in December for the following year's dues. Assessment payments are due by January 31 of the year for which they are billed (your 2019 regular POA Assessment is due on 1/31/2019 – it is considered past due on 2/1/2019).

Property owners are considered Past Due if there remains any balance on their account on February 1<sup>st</sup> AND they have not made payment arrangements (the POA generously permits property owners to pay all at once, quarterly, and monthly). As long as you are making payments to the POA in accordance with the payment arrangement to which you agreed, you are not considered delinquent nor will you receive a statement in the mail. All balances outstanding on 2/1 (including payment arrangements) are charged nominal interest fee per Section 7.6 of our Deed Restrictions. To avoid paying interest, pay your assessment in full by January 31.

*Just a reminder, the US Postal service doesn't work for free – mailing invoices costs the POA approximately \$300.00 in postage to send annual bills.*

### Collecting Past Due Accounts

The POA office sends a monthly **Past Due Notice** to property owners when they have any outstanding balance on their account. Again, mailing these Past Due Notices costs the POA money in paper, envelopes, and postage. We are not a business, we cannot write off these expenses – they are borne by your neighbors and take away from funds that could be used for facilities improvements and maintenance.

### Delinquencies

By our Deed Restrictions and Bylaws, any property owner who has not paid his or her Annual Assessment in-full or made arrangements for a payment plan, within 31 days of being billed, are considered Delinquent. However, delinquencies are far more complicated and collecting on them can take years. Some account holders are deceased or have abandoned their properties, some simply do not have the ability to pay, some choose not to pay. Whatever the case, it takes money to pursue collections – money and time.

Annually, by the end of the 3<sup>rd</sup> quarter, the POA office sends delinquency letters to anyone with a past due balance who are not already under legal action. By this time of the year, the POA has been patient and legal action may be required if accounts remain unpaid. Reminder, if you are on a payment plan, you will not receive a statement, *as long as you are paying in accordance with the arrangement you made.*

Another reminder, it costs the POA a lot of money every time the office has to send a letter to a delinquent property owner demanding payment – all notices regarding delinquencies must be mailed by First Class Mail and a copy mailed by Certified Return Receipt.

For some property owners, the threat of legal action is enough to get them to deal with their obligations. As a leadership team, the Board would prefer not to take legal action against a property owner – the only parties who benefit are lawyers. However, by December, if a property owner has not made full payment on their account, they will be considered for legal action. This includes all payment plans – if a property owner has not paid his or her account IN FULL by December 15, he or she is considered delinquent. Even though the Board is not here to file suits or liens against property owners who are trying to make good on their promises to pay, we must be fair to all property owners and cannot make exceptions.

### Collections/Legal Process

Failure to respond to the POAs collection/delinquency letters will result in the POA beginning legal action against a property owner. This is a LOSE-LOSE situation. It costs a lot of money for the POA to pursue legal action (lawyers don't work for free either...). The POA will immediately file liens against all properties for which a property owner owes the POA money. At this point, no payment plans will be accepted, a property owner would need to make full payment to the POA to avoid further legal proceedings. It is our hope that the lien and a letter from the POA's legal counsel will be enough to get a property owner to bring his or her account current. A property with a lien on it cannot be sold without the lien being satisfied or the POA agreeing to release its lien.

### Foreclosure

Property owners with unpaid balances, who do not make arrangements to bring their accounts current, force the POA to take the final action of beginning foreclosure proceedings. This costs more money – for the POA, of course, but tacks on legal fees to the property owners obligations with the POA, also. Foreclosures also take time and even if the POA prevails, all the POA gets is a property it must maintain, pay taxes on, and eventually try to sell. Needless to say, the POA limits the number of foreclosures it pursues and in some cases, Polk County may also be pursuing foreclosure for back taxes. If the county forecloses on a property, typically, the POA loses rights to enforce its lien, and if the county does foreclose on a property, that property usually goes up for sale at the Sheriff's auction.

### The Moral of the Story

#### **PAY YOUR ASSESSMENTS.**

**Pay them or sign a payment plan by January 31.**

**Don't put off paying your assessments.**

**Assessments happen every year – plan accordingly.**

**If you are going to “abandon” your property, tell the POA – we will work with you to transfer ownership to the POA in a legal and amicable manner that won't cost your neighbors the cost of pursuing legal action against you.**