

# Ravencrest Homeowners Association



## Collection Policy

Timely payment of regular and special assessment is of critical importance to the Association. A member's failure to pay annual assessments when due, creates a cash-flow problem for the Association. Therefore the Board of Directors has enacted the following policies and procedures concerning the collection of delinquent assessment accounts in accordance with **Ravencrest Bylaws and Encumbrances** and the **Alberta Land Titles Act**:

The following collection procedures shall be utilized:

**AMOUNTS PAYABLE TO THE ASSOCIATION** include, but are not limited to, regular assessments, special assessments, rule enforcement fees, certified mailing costs, legal fees and other costs associated with collection of funds on behalf of the Association.

**1. INVOICES:** Invoices for annual assessments will be mailed to homeowners at the address on the Certificate of Title to the owner's property between Feb.1 and Mar.1 each year.

**2. PAYMENT SCHEDULE:** The annual assessment is payable in advance by **April 1** of each year. Fees not received by the **May 1** will be considered past due.

**3. LATE FEES, NSF & INTEREST CHARGES:**

- A \$35.00 NSF (Non-Sufficient Funds) charge will apply to any returned cheque.
- Any balance older than 30 days will incur an interest charge of CIBC prime rate + 5% per annum until paid, as pursuant to the Encumbrances registered against the individual owner's title.

**4. ORDER OF CREDITING PAYMENTS:** Payments received shall be first applied to assessments owed, then to late charges, interest, or collection expenses.

**5. PROCESS FOR DELINQUENCY NOTIFICATION:**

- **FIRST NOTICE:** First Notice of Past Due Charges including detail of assessments, late fees, NSF charges, interest and other charges that apply will be sent by ordinary mail to an owner at the address on the title to their property whose balance is thirty (30) days past due.
- **SECOND NOTICE WITH 30 DAY DEMAND LETTER:** Second Notice of Past Due Charges including detail of assessments, late fees, NSF charges, interest and other charges that apply will be sent by ordinary mail to an owner whose balance is sixty (60) days past due.

This Notice will indicate the intent of Ravencrest Homeowners Association to turn the matter over to our lawyer for collection and enforcement if balance is not paid within 30 days (90 days past due). The lawyer will be instructed to commence a foreclosure action pursuant to the Encumbrance.

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The demand letter will provide the total balance owed, including applicable interest, fees, and late fees, and provide a date by which the account should be paid to avoid the imposition of additional lawyer fees. Each demand letter will carry a **\$50** charge for postage and handling.

**. REFERRAL OF DELINQUENT ACCOUNTS TO OUR LAWYER:** If payment in full is not received within 90 days after its due date, the Association will refer delinquent accounts to its lawyer for collection. Upon referral to the lawyers, the lawyers shall take all appropriate action to collect the accounts referred. After an account has been referred to our lawyer, the account shall remain with the lawyer until the account is settled, and has a zero balance.

The Association's lawyer will proceed with collection efforts in accordance with their collection schedule and arrangements that have been made with the Board of Directors. Collection efforts made by the lawyer include sending payment demand letters, filing a foreclosure action in a Court of Law, and foreclosing the lien against the delinquent owner's property.

**6. LEGAL SERVICES:** If a delinquent account is referred to a lawyer for collection, the owner shall be charged and is fully responsible for the Association's lawyer's fees and related costs.

**7. PAYMENT PLAN REQUESTS:** Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. This request must be made in writing prior to **April 1** of each year and must provide a detailed payment plan. The board may in its discretion agree to such proposal in writing. All interest will apply.

The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests.

If an assessment is payable in instalments and an instalment payment of that assessment is delinquent, all instalments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. Payment plans must be kept in good standing to prevent referral to the Association's lawyer.

**8. PAYMENT RECEIPTS:** Owners can request a receipt from the Association which shall indicate the date of payment and the person who received it.

Authorized and adopted by the Board, February 15<sup>th</sup>, 2011

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Philip Brenner: President  
Board of Directors

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