

Lake Overlook Unit 4 Association, Inc.

COLLECTION POLICY

Under authority of the association documents and the Board of Directors the following Collection Policy shall be in effect for Lake Overlook Unit 4 Association, Inc. The association's management company shall administer this policy.

1. Assessment payments are due on the 1st day of each month. If payment is not received within 15 days of the due date a "Reminder Letter" shall be sent to the homeowner. If payment is not received within 30 days of the due date, a "Late Notice" shall be sent to the homeowner. A late fee of \$25.00~~+~~ and interest shall be charged at an annual rate of 8% on the sum that is delinquent from the date of delinquency until paid.
2. If payment is not made within 45 days of due date, an "Intent to Lien Notice" shall be prepared and mailed by the association's management company in accordance with Florida Statutes.
3. If the outstanding balance related to the delinquent assessment is not paid within 30 days of the "Intent to Lien Notice", the association's management firm shall cause a lien to be recorded on the property.
4. If the outstanding balance has not been paid within 15 days of the processing of the lien (approximately 90 days from due date), the account will be sent to the association's attorney to commence foreclosure action. The association's management company is authorized by the Board to execute any necessary documents, cost deposits and, take such other actions as maybe necessary to begin and facilitate the foreclosure process. The attorney and/or management company may temporarily suspend or cancel the foreclosure/collection action if in their judgment circumstances make continuance of such action legally or economically inadvisable, such as certain situations involving mortgage foreclosure or bankruptcy.

Pursuant to Florida law, the delinquent homeowner is ultimately responsible for the payment of the charges, costs and attorney's fees related to the collection of delinquent assessments. To the extent possible, management and the association's attorney will endeavor to collect these fees and costs from the homeowner as permitted by law.

The above collection policy and timeframes are intended to be a guideline and all actions are subject to administrative and processing delays. However, any deviation from this policy shall not constitute a waiver of any rights or remedies of the association in collecting amounts due. The association does not allow extended payment plans for delinquent account balances or waiver of late fees, interest or collection costs.

Approved by Board May 24, 2018

Signed:  Title: President

Print Name: Lorna Borghese

Notes to Board on Collection Process Timeline:

There will normally be a built in delay before the collection actions noted in the collection policy are actually completed. For example, if the deadline for payment before late fee is the 15th of the month the download for deposits on the 15th will not be received until the 16th or 19th if there is a weekend. Normally the Accounting Manager will review the accounts, post charges and send late notices one to two days after the download is received. This usually provides a few days grace period for payment to be received without incurring late fees.

Similarly, it may take a number of days to process a lien or foreclosure notification and for paperwork to be received by the attorney. In addition the attorney is required to provide the owner a 45 day notice before actual foreclosure action can commence. Historically an extremely small % of accounts will actually proceed to foreclosure (less than 1% of those sent to attorney)

In summary the timeframes in the Collection Policy represent the ideal situation and will almost always be longer in practical application. Therefore owners normally have more opportunity to resolve their accounts for a longer period than would be indicated in the timeline of the Collection Policy.

Payment Plans

Leland recommends that the association consider offering payment plans to owners, when requested by the owner that do not exceed 12 months.

Because payment plans require special handling by the accounting department and require very close monitoring and tracking, Leland charges a \$100 fee on payment plans that exceed three monthly payments to cover the cost of added administration. This cost is charged to the owner and factored into the payment plan.

If an association chooses to offer or accept a payment plan it should stipulate that the Owner must also remain current on regularly scheduled assessments, and would be responsible for any late fees and/or interest and payment plan fee as well as the agreed payment of the past due amount. A payment plan should be for no longer than 6 -12 months. When a payment plan is in effect, Leland will hold off progression of the account to the next legal action. If the owner defaults on the plan, collection actions would be reinstated immediately.

Please keep in mind Leland provides owners the option of paying the entire amount via credit card.