

INFORMATION REGARDING COLLECTION OF DELINQUENT HOMEOWNERS ASSOCIATION FEES

CALCULATION OF PARTIAL PAYMENTS

When a homeowner makes a partial payment, it is first applied to the pre-paid fee, attorney fees, costs, late charges, interest, and then to the oldest principal amount of the outstanding dues. Once attorney fees have been paid in full, we will forward further payments directly to the Association for negotiation. A \$25 charge will be added to the homeowner's balance for a partial payment notice, assuming installments have not been agreed to in advance.

Here is a fictional example of a \$170 partial payment.

Amount Due

\$180.00	Assessments
10.00	Late Fee
3.82	Interest
45.00	Pre-paid Fee
75.00	Attorney Fee
<u>25.00</u>	<u>Partial Pmt Fee</u>
\$338.82	Total Due

\$170 Partial Payment is Applied as Follows:

45.00	To Association for pre-paid fee.
100.00	To Rome & Goldin (\$75 plus \$25 partial payment charge)
13.82	To Association for Late Charges and Interest
<u>11.18</u>	<u>To Association for Towards Delinquent Assessments</u>
170.00	Total Payment

\$338.82	Total Due
<u>(170.00)</u>	<u>Payment</u>
\$168.82	In Assessments Still Owed to the Association

PAYMENT PLANS

Experience has shown us that approximately 90% of payment plans fail if they are spread over a large amount of time. (Also see attached article entitled "Understanding Collection of Assessments During the Recession.") If a homeowner requests a payment plan prior to the filing of a lien, we require them to pay 50% upfront with the balance spread over two or three months.

If a homeowner requests a payment plan after the filing of the lien, but prior to suit, we require they sign a Promissory Note. The Promissory Note includes an acknowledgement of the amount owed by the homeowner. This makes suit easier if the homeowner defaults on the payment plan. The Note also requires the homeowner to keep current in the payment of future assessments as they come due.

If the homeowner requests a payment plan after suit has been filed, and prior to Judgment, they will have to sign a Consent Order. If the delinquent homeowner misses a payment under the Consent Order a Judgment for the remaining balance can be obtained from the court without a hearing.

When a homeowner enters into any of the above payment plans, we add a one time charge of \$100 for setting up and administering the installment agreement and an additional \$50 for every six months, or any fraction thereof, which the plan extends beyond 18 months. Payment of this fee is deferred until collected from the homeowner.