



Collections Rules & Regulations

Purpose

The purpose of these Rules & Regulations is to minimize the accounts receivable of Michaywé Owners Association (MOA) by systematically pursuing payment of delinquent dues and related charges.

Timing

- Annual Association dues and/or special assessments shall be paid by each owner for each property unit on or before January first each year, or they shall have made prior arrangements to participate in an approved installment plan.
- All statements are due upon receipt unless otherwise stated.
- Any property owner who is thirty (30) days or more in default in the payment of the annual Association dues and/or special assessments shall not be in good standing.
- Late fees shall be applied on the first day of the month
- Interest shall be applied to the total account balance on the first day of the month
- Any purchaser or grantee who fails to request a written statement from the Association at least five (5) days before the conveyance shall be liable for any unpaid assessments against the Property Unit together with interest, late fees, fines, costs and attorneys' fees incurred in connection with the collection of such assessments.
- Payments on accounts in default shall be applied as follows: first, to costs of collection and enforcement of payment, including attorney's fees; second, to any interest charges, fines and late fees on such installments; and third, to installments in default in order of their due dates.

Fees & Penalties

- Lien Filing Fee = \$20 per property unit plus the cost per document to record with the Otsego County Register of Deeds (The current cost to record a document is \$30. Therefore, the total lien filing fee is \$50.)
- Release of Lien Fee = \$20 per property unit plus the cost per document to record with the Otsego County Register of Deeds. Must be paid in full in advance of filing the release. (The current cost to record a document is \$30. Therefore, the total release of lien fee is \$50.)
- Late Payment Fee = \$8 per month
- Interest on Delinquent Accounts = The interest rate shown in the MOA Bylaws, which is 7% per annum
- Rush Processing Fee = When the property owner requests that collections-related paperwork be processed with the Register of Deeds, the courts or their agents, or other related agencies/persons sooner than 3 business days, an additional \$25 fee per document will be charged
- Property owners in default will not be eligible for any discounts provided to MOA property owners in good standing

Enforcement

May include any of the following:

- The Association may discontinue the furnishing of any services to a property owner not in good standing



- Property owners not in good standing shall not be entitled to utilize any of the Michaywé Common Properties
- Property owners not in good standing shall not be entitled to vote at any meeting of the Association
- Property owners not in good standing shall not be qualified to run for or function as an officer or Director of the Association
- Liens filed annually against the property unit(s) for which the owner is delinquent and a Lien Filing Fee will be assessed
- Pre-paid Release of Lien fee will be required to release the lien
- Late Payment Fees will be assessed each month
- Interest charges will be added to the total account balance each month
- Lawsuits filed in small claims, district, or circuit court seeking a money judgment
- Judgment debtor discovery hearing to identify assets of the defendant for seizure to satisfy a money judgment
- Garnishment of wages, bank account(s), income tax refunds, and/or other sources to satisfy a money judgment
- For delinquent rented or leased property unit(s), MOA may collect rent directly from the tenant to satisfy the debt
- Lawsuits filed in district or circuit court seeking foreclosure of the statutory lien
- Foreclosure of a lien by advertisement
- Upon the sale or conveyance of a delinquent property unit, the balance due shall be paid from the net proceeds of the sale
- All other expenses of collection as outlined in the Master Declaration for the Michaywé Restricted Properties in *“Article V, Section 5. Enforcement”* will be the responsibility of the delinquent property owner
- Any other actions allowed by law

Revision Log

- Original policy approved 8-23-09
- Rewritten and approved on 9-21-13
- Changed Policy to Rules and Regulations and more clearly defined payment terms 12-21-2013
- Revised to reflect current practices and be more concise. 9-22-17

This policy was approved by the MOA Board of Directors at their September 23, 2017 regular meeting at which a quorum was present.