

Bel Pre Recreational Association Annual Dues Collection Policy

(adopted March 6, 2018; amended May 1, 2018; June 2, 2020; and
January 5, 2021)

A. Annual Dues

- 1) The Bel Pre Recreational Association (BPRA) is authorized by the governing documents to assess and collect annual dues from the membership homeowners (Homeowners) that are legally included in the BPRA governing documents. The governing documents also state that the due date for payment of the dues is set at March 1 of each year.
- 2) The dues amount is established annually by the BPRA Board of Directors (Board) and within a cap set by the General Membership of the BPRA.
- 3) Dues Assessment Letters (Letters) are mailed to all Homeowners around February 1 of each year. The Letters state that the due date for payment of the dues is March 1 of the assessment year, and if not paid by March 31, interest charges will accrue on the first day of each following month, retroactive to the March 1 due date until paid, together with all late fees and collection costs (including attorney's fees where applicable). (See, Pool and Assessment Covenants of March 13, 1968, at Art. V §§7, 9).
- 4) For purposes of this policy, any payment is deemed to have been made and received as of the earlier of:
 - i. the date that the envelope transmitting payment arrived at the BPRA's post office box;
 - ii. the legible U.S. Postal Service postmark date on the envelope transmitting the payment;
 - iii. the date the transaction is posted by the agent/program designated by BPRA for receipt of on-line payments. For purposes of this determination, an electronic/on-line payment means a service whereby the homeowner uses a debit/credit card to make payment, which is posted/date-stamped by the receiving entity. Paper checks issued by banks or other providers and that are mailed or otherwise delivered to BPRA are not "electronic payments" for purposes of this subsection.

B. Past Due Annual Fees Collection Policy

- 1) The Board has approved the following actions to be taken in regard to annual dues assessments that are delinquent.

If payment is received by March 31, no interest charge, late fee, or collection costs shall be levied and the homeowner remains in good standing. If payment has not been received by March 31, then:

- i. **1st Late Notice Letter** - the BPRa Treasurer is directed to assess the first month's interest charge, retroactive to the March 1 due date; a late penalty of 10% of the dues owed, plus the additional costs associated with the mailing of the 1st Late Notice Letter, which shall be mailed to all delinquent homeowners as soon as possible in the month of April, but not later than April 15. The letter will notify the Homeowner that the annual dues were not received by the due date of March 1 nor by the end of the grace period on March 31, and therefore additional charges have been added to the homeowner's account. The letter will request that the past due amount(s) be promptly paid. The letter will also provide a statement for the Homeowner detailing the past due amount(s), late penalty, interest, and collection costs. The collection costs for mailing the 1st Late Notice Letter are set at \$5.00 to cover the costs of paper, envelopes, printing and first-class postage.
- ii. **2nd Late Notice Letter** - Not later than June 15 of the assessment year, the Treasurer will mail the **2nd Late Notice Letter** to each Homeowner whose past due dues assessment was not received by May 31 of the assessment year. The letter will notify the Homeowner that the past due annual dues assessment plus late penalty, accrued interest through the end of May, and collection fees have not yet been received and the Association is considering further collection actions that could result in substantial additional charges to the Homeowner. The letter will also provide an updated statement for the Homeowner showing past due amount(s), late penalties, interest, and collection costs. The collection costs for mailing the **2nd Late Notice Letter** are set at \$5.00 to cover the costs of paper, envelopes, printing and first-class postage.
- iii. **Final Letter** - Any Homeowner who has not paid their dues assessment and all associated late fees, interest, and collection costs by August 31 of the assessment year is subject to additional collection action and substantial fees. Not later than September 15 of the assessment year, the Treasurer will mail a final letter to each such Homeowner. The letter will notify the Homeowner that if the Homeowner's delinquent account is not paid in full by September 30, the account will be turned over to an attorney for additional collection action and substantial attorney fees will be added to the homeowner's account. The collection costs for mailing the Final letter is set at \$10.00 to cover the costs of paper, envelopes, printing and Certified Mail (return receipt requested) postage.
- iv. **Attorney Collections** – If the homeowner has not paid the delinquent dues assessment within the time period specified by the Final letter, the BPRa Treasurer will turn over the delinquent dues assessment account to an attorney selected by the Board for further collection action.

- v. **Filing a lien or lawsuit – If a Homeowner’s account becomes one** year or more in arrears, the Board, at its discretion, will direct its attorney to either file a lien against the property and/or file a lawsuit against the Homeowner.

- 2) Collections Received – any monies received from the Homeowner will be applied to the oldest assessments first, unless stipulated otherwise by a binding settlement agreement.

C. Requests for relief

- 1) A homeowner may request that the late fee be waived, and/or to pay the assessment over time, on a payment plan.
- 2) Only homeowners in good standing may request relief. Good standing means that the homeowner is current with prior assessment payments, and has no remaining unpaid, prior-year assessments, fees or interest.
- 3) It is the BPRA Board’s preference that:
 - i. any request for relief be filed prior to the deadline for “timely” payment (historically fixed as March 31st);
 - ii. any request be accompanied by a good-faith payment of at least one-third of the Annual Assessment amount;
 - iii. any request be submitted in writing;
 - iv. any request uses the BPRA relief form found on the StrathmoreBelPre.org website; and
 - v. any request be submitted via first class mail or e-mail

D. Criteria for Relief

- 1) Payment of the full assessment and interest are required under the Covenants and by order of the Montgomery County Commission on Common Ownership Communities.¹
- 2) Payment of the Annual Assessment may not be waived and must be paid in full.
- 3) Simple interest (generated per month) also may not be waived.
- 4) Relief is limited to:

- i. terms providing the homeowner additional time in which to make payment before the BPRA refers the matter to its attorney or files a lien on the property; and/or
 - ii. full or partial waiver of the 10% late fee.
 - 5) Payment Plans - Except for extraordinary circumstances, the maximum amount of additional time to be granted for payment is not to exceed 5 months (i.e., payment-in-full must be realized no later than August 31 of the current Assessment year).
 - 6) Standing with the Association – Where a payment plan has been agreed to by the homeowner and the Association, the homeowner will remain in good standing with the Association, subject to satisfactory performance of the payment plan. The homeowner will maintain the right to access and enjoy the privileges and benefits of the Association, subject to their satisfactory performance of the payment plan.
 - 7) Simple interest (generated per month) also may not be waived,
 - 8) Relief is limited to:
 - i. terms providing the homeowner additional time in which to make payment before the BPRA files a lien on the property; and/or
 - ii. full or partial waiver of the 10% late fee.
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- 9) Failure to abide by the terms of any agreement/payment plans negotiated by the Association and the homeowner will result in immediate acceleration of the remaining balance due and create a default.
 - i. Upon default, the total/remaining balance will be due, and payable immediately.
 - ii. Upon default, the homeowner’s right to access and enjoy the benefits and privileges of the Association will be suspended until the account is paid in full.

¹ Article V, § 1 of the Strathmore Bel Pre Covenant of March 13, 1968, requires that each homeowner pay the annual assessment (and any special assessments) and requires that the assessments are to be uniform for each lot. Sections 7 and 9 of that article specifies that the annual assessment is due on March 1 of every year, and that if the homeowner fails to pay the annual assessment within 30 days, that the debt bears 6% interest and the BPRA may take legal action to recover the debt and collection costs and to place a lien on the property.

In *Ramsay v. BPRA* (Case No. 369-0), pp. 12-13, the Montgomery County Commission on Common Ownership Communities ruled that since the 1968 Covenant says that the delinquency “shall” bear interest, the BPRA does not have the option of waiving it.

- 10) The BPRA's Assessment Assistance Committee is authorized to negotiate and approve payment plan and release of late fees on behalf of the BPRA. In deciding whether to grant a homeowner's request for relief, the Committee will treat all such requests and supporting material from the homeowner, as confidential personal financial records. The Committee will not provide these records (or any other information contained in those records) to the Board (or any other person) unless the homeowner has, in writing, authorized such dissemination.