

# **THE FAIRWAYS AT TORRINGTON ASSOCIATION, INC.**

## **COLLECTION/FORECLOSURE POLICY**

WHEREAS, The Connecticut Common Interest Ownership Act ("The Act"), codified at C.G.S. Section 47-258, provides for a Statutory Limited Lien for unpaid common expenses. The lien is prior in right to a first mortgage and a second mortgage for only nine (9) months of assessments. In all other respects the lien is a priority lien against all other liens or monetary encumbrances against a unit. The priority lien also includes court costs, title search costs and attorney's fees.

THEREFORE, the Association hereby adopts the following Collection/Foreclosure Policy in accordance with C.G.S. §47-258:

### **STANDARD COLLECTION/FORECLOSURE POLICY**

1. It is the responsibility of each unit owner to pay all common charges, assessments, fines and other charges imposed on the Unit Account when such payments are due. There is no legal requirement that the Condominium Association send a monthly statement or any other notice when charges are due except in situations where there is a change in the amount of the monthly common charges or as required by Statute. The Condominium Association mailings of statements, overdue statements or final warning letters are a matter of convenience only. There is no legal requirement to send such notices and the failure of the Condominium Association to send such notices and/or the non-receipt of such notices by a unit owner does not constitute a legal excuse to not pay such charges when due. It is the responsibility of each unit owner to contact the Condominium Association with any questions as to the amounts owed on a Unit Account.
2. All amounts received from a unit owner may, in the discretion of the Attorney, be applied to any portion of the lien including applying it to the oldest unpaid amount as shown on the Unit Account Statement, legal fees and/or costs regardless of any restrictive memo. The Board of Directors authorizes its Attorney to collect payments and endorse and deposit checks made payable to the Association. The Attorney is also authorized to disburse the funds in his or her sole discretion unless the Board of Directors directs otherwise. There shall be a late charge in the amount of \$25.00 per month. The late charge will be imposed on the fifteenth (15<sup>th</sup>) calendar day of each month if there is any amount unpaid on the Unit Account as of the fifteenth (15<sup>th</sup>) day of each calendar month, provided, however, no late charge shall be imposed for any month in which the unit owner makes a payment of not less than the amount due for said month and said payment is received on or before the fifteenth (15<sup>th</sup>) calendar day of the month. Additionally,

interest at the rate of 1.5% per month shall be assessed against all outstanding balances at the end of the month.

3. The Association or its Agent shall refer a Unit Account to the Condominium Association's attorney for legal collection/foreclosure proceedings when the amount unpaid on a Unit Account is equal to or greater than two (2) months of monthly common charges.
4. The first attorney letter shall not commence a foreclosure action. Instead it shall be a Pre-foreclosure letter containing a thirty two (32) day notice. If the unit owner contacts the attorney and requests verification of the amount of unpaid common expenses every reasonable effort is made to research the account and provide written verification of the amount of unpaid common expenses without additional charge to the unit owner. Once the debt is verified, the unit owner is provided an opportunity to present a payment plan if the unit owner is not able to pay that account in full at one time. The Association has no obligation to accept any payment plan. The preference of the Condominium Association is to accept a payment plan provided that the payment plan (1) is in writing; (2) requires payment of the current monthly common expenses and assessments, if any, that are due; and (3) requires not more than six (6) equal monthly payments towards the arrearage in an amount sufficient to satisfy the Unit Account arrearage and bring the Unit Account current within a six (6) month time period. In extreme situations the parties may agree to amend the payment plan provided the payment plan is in writing and there is no dispute as to the amount owed. In all cases, the payment plan includes a provision that the unit owner will be responsible for all common charges, late charges, assessments, attorney's fees and costs of collection.
5. If the Unit Owner does not contact the Association or the parties cannot agree on a payment plan acceptable to the Association the Association will then order a title search and commence the foreclosure proceedings with a thirty two (32) day letter. The same debt verification protections and payment plan options contained in the Pre-foreclosure letter shall be available to the Unit Owner.
6. The 32 day letter referred to in paragraph 5 above shall also be forwarded to any first and second mortgagee with a perfected security interest on the Unit. The Attorney, no less than 60 days prior to initiating a foreclosure action, shall forward a 60 day letter to the same first and second mortgagees pursuant to Public Act No. 13-156. Said 60 day letter shall be sent via first class mail and shall include (A) the amount of unpaid common expense assessments owed to the Association as of the date of the notice; (B) the amount of any attorney's fees and costs incurred by the Association in the enforcement of its lien as of the date of the notice; (C) a statement of the Association's intention to foreclose its lien if the

amounts set forth in subparagraphs (A) and (B) of this subdivision are not paid to the Association not later than sixty days after the date on which the notice is provided; (D) the Association's contact information, including, but not limited to, (i) the name of the individual acting on behalf of the Association with respect to the matter, and (ii) the Association's mailing address, telephone number and electronic mail address, if any; and (E) instructions concerning the acceptable means of making payment on the amounts owing to the Association as set forth in subparagraphs (A) and (B) of this subdivision. Any notice required to be given by the Association under this Collection/Foreclosure Policy shall be effective when sent.

7. Once an account is referred to an attorney for collection, the Condominium Association requires the unit owner to deal directly with the attorney's office until the account is paid current. All payments must be sent to the Attorney's office. Any checks or payments received by the Condominium Association or its Manager directly from a unit owner will be delivered to the Attorney's office. Payments are deemed sent when received by the Association's Attorney only.

This Collection/Foreclosure Policy shall be a standard policy and the Condominium Association hereby authorizes commencement of foreclosures against units provided that the provisions of this Collection/Foreclosure Policy have been substantially followed before commencement of a foreclosure.

**THE FAIRWAYS AT TORRINGTON ASSOCIATION, INC.**

**APPROVED BY THE BOARD OF DIRECTORS ON THIS 7<sup>th</sup> DAY OF August, 2014.**

By: Lourence Q. Hall

**Its President**