

Glastonbury Landowners Association, Inc.
Outline of GLA Collection Procedure
Adopted April 11, 2016

1. Assessment Notice

Each Landowner shall be informed in writing of the annual assessments owed for their property on or around January 15 of each year. [Covenant 11.03]

2. Payment of Assessments, Interest, and Penalties

The GLA current annual assessment, account interest and penalties are determined by the Covenants [11.06], Montana law and further actions by the GLA Board of Directors.

3. Delinquent Accounts

Annually in February, a delinquent accounts report will be generated based on delinquency time frame:

- a. **Current Year Delinquent – Interest Charged:** Those who have not paid the *current* year's assessment or first quarterly payment by the due date of January 31 will be charged the monthly interest. Landowners who are delinquent will see these charges on their April 15th statement, and on subsequent statements if the delinquency continues. These same charges will be applied to the account when any of the quarterly payment due dates are missed during the year. The Treasurer will send the delinquency report to the Board for their information. Landowners in arrears may also receive collection phone calls from the Board or Finance Committee members.
- b. **One Year Delinquent – Placement of Liens:** Landowners who have not paid the *previous* year's assessments by January 31 will be sent a 30-day Lien Warning letter.
 - 1) Landowners may negotiate a payment plan with the Treasurer or petition the Board within the 30 days before a lien is filed.
 - 2) Landowners who don't pay all past assessments and fees or negotiate a payment plan within 20 days will receive a final 10-day Lien Warning letter.
 - 3) If there is no response to the 10-day Lien Warning letter, a lien will be placed on the property within one week of the 10-day period passing and the Landowner will be assessed a Lien Fee of \$50.
 - 4) The GLA will put an immediate lien on any properties with assessments due that are put up for sale or are in the process of foreclosure.
 - 5) A copy of the lien will be mailed to the mortgage holder.

Note: At the Board's discretion and depending on the circumstances, properties sold with assessments owing may be turned over an attorney for collection.
- c. **Over 2 Years Delinquent** – At any time in the collection process, landowners may negotiate with the Board to settle delinquent accounts.
 - 1) Landowners with assessments in arrears over two years will be sent a Delinquency Letter requiring payment and noticing that legal proceedings will begin to collect the debt.
 - 2) The GLA will perfect the lien, the Landowner will be assessed another Lien Fee of \$50 and the GLA will send a copy to any mortgage company.
 - 3) If no payment or payment plan is forthcoming as a result of the Delinquency Letter, a Demand Letter will be sent to the Landowner from a GLA attorney.
 - 4) The GLA may send a settlement offer to the Landowner before going to court.

- 5) If no payment or payment plan is forthcoming as a result of the Demand Letter, the GLA may sue for judgment to collect all assessments, interest, penalties lien fees and attorney fees.
- 6) If the GLA wins the judgment, the GLA may:
 - a. List the judgment amount with the credit and/or business rating agencies.
 - b. If there is no mortgage on the property or the mortgage was taken out after the property was purchased, the GLA may foreclose within 2 years of winning the judgment.
- 7) If there is a mortgage and a foreclosure and the Board deems a foreclosure of no benefit to the GLA, all other collection possibilities will be explored.

4. Payment Plan Agreements

The payment plan has been voted on by the board and it freezes current interest if the monthly payments are made. It does NOT waive any past interest or dues. The payment plan works well for accounts less than three years behind. The Treasurer works out a plan with the landowner to get caught up in about 2 years using the payment plan.

5. Any Other Type of Agreement

Action to waive past interest could be by board vote in a public meeting.