

**ELDERS POND
HOMEOWNERS ASSOCIATION, INC.**

**COLLECTIONS
POLICY STATEMENT**

For Homeowners and Residents

Updated May 2009

**MONTHLY ASSESSMENTS
FINES**

Elders Pond Homeowners Association, Inc. Collections Policy Statement

The Declaration of Covenants applicable to the Elders Pond Subdivision and Homeowners Association states that the regular annual assessment shall be levied by the Board of Directors of the Association, shall be payable monthly and shall be used exclusively for the improvement, maintenance, repair, and enhancement of the Common Properties, and, to provide the required services included in the covenants and discretionary services as the Board of Directors may elect to provide. It also supports the establishment of reserve funds from the regular annual assessments to be held in interest bearing accounts or investments for major rehabilitation, repairs or maintenance.

The Declaration of Covenants automatically makes anyone who owns a lot in Elders Pond an Association member. It also provides a lien on each lot in the community as an aid to the Association in collecting the Annual Assessments and past due assessments, which are a personal and legal obligation of each owner of a lot or home. These Assessments help defray the costs of operating and insuring the Association. It should also be noted that any funds collected from these assessments and not spent for these budgeted purposes will either be applied to the other expenses of the association or be retained in the accounts of the Association for future expenses.

In January 2009 a generic invoice for the 2009 Assessment was mailed to all homeowners of record. That letter also advised that the monthly installments increased to \$44.00 in March, reminded everyone the due date for monthly installments is the first day of each month, and that the installment is considered past due after the 10th of each month.

To insure that all homeowners and residents are aware of the obligations and that the Board of Directors has a responsibility to manage these receivables this policy statement has been prepared. In order to ensure anticipated services are provided and the reserve fund continues to grow the monthly assessments must be paid on time. To that effort this policy statement includes two parts. (1) Extended long-term outstanding balances, and (2) the new collections policy that will be in force effectively immediately.

The homeowners with past due assessments that have been outstanding for extended periods of time will receive a letter stating the balance and asking them to bring their delinquent account current. Those homeowners will have a very limited time period within which to contact MJS, Inc., verify the balance, and make payment. Failure to contact MJS, Inc. will result in other collection actions.

The following pages outline the steps included in the updated collections policy. The overall policy is effective with June 2009 monthly installments that become past due. However, the provisions of the policy will also be applied to any previous months in which an installment was and remains past due. The policy is firm but quite fair.

Your understanding and compliance with this policy is imperative. The community in which you decided to live cannot function as any homeowner would expect it to and cannot meet its legal obligations without the monthly assessment being paid on time.

Remember, all checks for monthly assessment (regime) and/or other Association fees should be made payable to Elder's Pond HOA and mailed to the Association at 4910 Trenholm Road, Suite C, Columbia, S.C., 29206.

1. The Annual notice that the monthly assessment is due the first of each month is mailed out in January of each year. **THIS IS THE FIRST NOTICE.**
2. The monthly installment of the annual assessment is due on the **1st** of each month.
3. If payment of the monthly installment is not received by the **10th** of that month, it is considered **PAST DUE** (no exceptions) and a **late fee of \$10** is added for the first monthly payment that is late.
4. About the **15th** of that month, the homeowner is mailed a **PAST DUE** statement. **THIS IS THE SECOND NOTICE.**
5. On the **1st** of the following month that the preceding month has not been paid, that installment is now 30 days past due.
6. If no action has been taken by the **10th** of the following month, the account is now 40 days past due and the second monthly fee is past due resulting in a **second \$10** late fee being added to the debt.
7. By the **15th** of that month, MJS Inc. will send the Board of Directors a list asking for approval to send the past due account holder(s) a **10 day letter**. The board will approve the list. The **10-Day Letter** allows 10 days for the past due homeowner to contact MJS Inc. to make full payment or to negotiate a payment plan acceptable to the Association and that will pay the full amount in a reasonable time. **THIS IS THE THIRD AND FINAL NOTICE FROM THE ASSOCIATION.**
8. About the **25th** of that month to the **1st** of the next month (roughly 60 days), if the homeowner has not paid or if no agreement for payment is reached with the Association, the delinquent account will be turned over to an attorney and the Notice of Delinquency (i.e. the lien) will be filed by the attorney.
9. Notice of Delinquency / Lien Filing
 - a. By the **15th** of the next month a Notice of Delinquency (i.e. the lien) will be filed and the attorney will mail letters to the homeowner. **(The up-front cost to the Association is \$50.00.)** The homeowner now owes the attorney an additional **\$375**, plus any past due assessments. **(The \$50.00 fronted by the Association is reimbursed from the \$375.00 paid to the attorney.)**
 - b. The attorney will send the homeowner a letter indicating that the lien has been filed and that the homeowner can make full payment to the attorney or negotiate a payment plan acceptable to the attorney that will pay the full amount in a reasonable time. **THIS IS THE INITIAL CONTACT FROM THE ATTORNEY AND AT THIS POINT, THE HOMEOWNER MUST NOW ADDRESS THE DEBT WITH THE ATTORNEY, NOT THE ASSOCIATION.**
10. The account is now 90 or more days past due. If the homeowner does not pay or reach agreement with the attorney for payment within **30 days**, MJS Inc. will then send the Board of Directors a list asking for approval to initiate **foreclosure proceedings**. The Board of Directors anticipates approving the list.
11. The homeowner has been contacted three or four times and at this point:
 - a. Once the foreclosure action is approved by the Board, the Association will pay and the homeowner will be charged an additional legal fee of **\$380**.
 - b. In addition to the \$380.00 fronted by the Association, the homeowner will be

required to pay \$1,500 in legal fees, plus \$500.00 for each of three (3) additional steps in the foreclosure process: (a) discovery (gathering of additional information); (b) the hearing in Circuit Court or the Master in Equity; (c) the sale of the home; if the process is continued without resolution with the attorney.

- c. If approved, the Association can ask the attorney to move the foreclosure from Circuit Court to the Master in Equity's Court (**additional \$150 cost to Association and to the Homeowner**), which expedites the foreclosure and significantly reduces the period of time needed to foreclose.
- d. The Association will front and the homeowner will be charged for the cost of advertizing the sale. (**Approximately \$150.00 but varies by court**).

12. The total estimated cost to the homeowner is approximately **\$3,755 to \$3,905** (\$375+\$380+\$150+\$1500+\$500+\$500+\$150+\$500) **PLUS ALL PAST DUE** monthly assessments. (The Associations out of pocket cost starts at \$50 and can run as much as roughly \$580 to \$730 for the entire process, while the Owners cost is significantly more.)

ALL STEPS, DOLLAR AMOUNTS AND TIME FRAMES ARE ESTIMATES ONLY AND AS SUCH, ARE SUBJECT TO CHANGE WITHOUT NOTICE TO THE MEMBERS OF THE ASSOCIATION AT ANY TIME.