

STONY HILL VILLAGE CONDOMINIUM ASSOCIATION, INC.

STANDARD COLLECTION AND FORECLOSURE RULE

Adopted by the Board of Directors on July 19, 2016

I. Statement of Facts

- A. The Association must collect all sums due from homeowners in a timely manner in order to provide for the proper operation of the community.
- B. The Association has authority under the Connecticut Common Interest Ownership Act to collect the sums owed to it and, if necessary, to foreclose on homeowners that are delinquent.
- C. The Association wishes to adopt a standard rule for collecting sums due the Association and providing for foreclosure of liens pursuant to Connecticut General Statutes § 47-258.

II. Statement of Authority

- A. The governing documents of the Association and Connecticut General Statutes §§ 47-244(a) and 47-258(m) give the Board of Directors the power to collect sums owed from homeowners and to adopt a standard rule to foreclose liens on delinquent homeowners.
- B. Connecticut General Statutes § 47-258 permits the Association to foreclose liens on homeowners for unpaid common expense assessments and other sums.
- C. Connecticut General Statutes § 47-258(m) provides that an Association may not commence an action to foreclose a lien on a homeowner unless: (A) The homeowner, at the time the action is commenced, owes a sum equal to at least two months of common expense assessments based on the periodic budget last adopted by the Association pursuant to subsection (a) of Connecticut General Statutes § 47-257; (B) the Association has made a demand for payment in a record and has simultaneously provided a copy of such record to the holder of a security interest described in Connecticut General Statutes § 47-258(b)(2); and (C) the Board of Directors has either voted to commence a foreclosure action specifically against that homeowner or has adopted a standard rule that provides for foreclosure against that unit.

III. Resolution

THEREFORE, it is hereby resolved:

- 1. It is the decision of the Board of Directors to adopt this resolution approving a standard rule on the collection of common expense assessments and foreclosure process in the common interest community pursuant to Connecticut General Statutes § 47-258(m), as amended by Public Act 13-156, as set forth in the subsequent paragraphs.

2. Common expense assessments based on the periodic budget are due on the first (1st) day of each month. Special assessments shall be due on the date(s) as set by the Board of Directors.
3. Prior to sending a delinquent account to its attorneys, the Association, or its duly authorized representative, shall send the homeowner a request for payment.
4. If a homeowners account is not fully current by the 10th day of the month, the homeowner will be assessed late fees, collection costs and attorney's fees and costs as follows: (A) A late fee of \$50.00 each month until the account is paid in full; and (B) Attorney's fees and costs will be incurred by the homeowner after the 10th of the second delinquent month in attempting to collect the outstanding amounts common fees or late fees due to the Association.
5. If payment is made upon a homeowners account and the payment is insufficient to bring the account current, including late fees, the sums will be applied in the following order of priority: (1) monthly common fees; (2) late fees; (3) special assessments; (4) attorney's fees and costs; (5) fines; and (6) all other remaining charges. As sums are received, monies will be applied to the oldest balance due in each category in order of priority.
6. Once the Association sends the account to its attorneys, the attorneys are instructed to perform a title search without further action by the Board of Directors. Pursuant to the requirements of Connecticut General Statutes § 47-258(m), as amended by Public Act 13-156, the attorney will make a demand for payment in a record upon the homeowner and simultaneously provide a copy of such record to all holders of security interests described in Connecticut General Statutes § 47-258(b)(2). The written notice to such holders of security interests shall set forth: (A) The amount of unpaid common expense assessments and late fees 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) are not paid to the Association within 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). Any notice required to be given by the attorney under this subsection shall be effective when sent.
7. Thereafter, if (A) the homeowners' account, including applicable attorneys' fees, is not made current; or (B) the homeowner does not agree to and follow a payment plan that will bring his or her account current within a period of time that is acceptable to the Board of Directors; and (C) the homeowner owes a sum equal to or greater than two months common charges, the attorney is authorized to commence a foreclosure with no further action by the Board of Directors.
8. To the extent that there is a conflict between this Collection Rule and the terms of any standard rule providing for foreclosure against homeowners previously enacted by the Board of Directors, the terms of this Collection Rule shall govern.