

# Collection Policy

**Objective:** The purpose of this policy is to develop a consistent means for the Stafford Estates Homeowners' Association (HOA) to collect past due dues. The Texas Property code (section 209.0062(d)) requires us to publish this policy on our Website.

## Process of Collection Dues:


1. Dues will be billed at the beginning of our fiscal year (May 1) and the invoices will either be emailed or mailed by US Postal service as the individual homeowners have directed the treasurer to do.
2. Any homeowner that at any time notifies the treasurer of an inability to make their dues payment will be offered a payment plan.
  - a. The payment plan will be mutually agreed upon by the homeowner and the Treasurer and will be in writing.
  - b. The payment plan will have a minimum term of three months and will not exceed 18 months.
  - c. Any payment plan that will carry over into the next fiscal year (no matter the term) must be approved in advance by a majority of the HOA Board of Directors.
  - d. Exceptions to this Payment Plan Policy.
    - i. If a homeowner was previously given a mutually agreed upon payment plan and the homeowner did not meet the obligations of that plan. In that event, the HOA is not required to offer a new payment plan.
    - ii. A payment plan has been requested by the homeowner within the last twelve months dated from the new request. In this instance, the HOA Board may elect to offer a new plan or decline. This decision will be made by a majority of Board member vote.
3. For those Homeowners that have not indicated the need for a payment plan, the following steps will be taken to attempt collection unpaid dues:
  - a. As per the Covenants, Conditions, and Restrictions for Stafford Estates (CCR's), late fees at the rate of 10% per year will begin to be assessed for all homeowner accounts that have unpaid dues as of July 1 each year. The fees will be assessed each month beginning July 1. Per the CCR's, late fees are only to be assessed on unpaid dues and not on unpaid late fees.
  - b. Statements of the homeowner's past due account will be mailed each month that a past due balance exists and the amount of that balance.
  - c. For those homeowner accounts that remain 6 months past due, a certified letter will be sent to the homeowner. The letter will contain the following elements (per section 209.0064 of the Texas Property Code):
    - i. The outstanding past due amount owed
    - ii. An offer to negotiate a payment plan
    - iii. Notifying the homeowner that they have 45 days from the date of the letter to bring their account current
    - iv. The letter may outline actions that the HOA may pursue to collect the past due amounts and informing the homeowner that the homeowner will be responsible to pay any fees associated with these various actions. These could be:
      1. Use of a collection agency that charges a flat fee for collection efforts

2. Filing with credit reporting agencies the past due amount
  3. Filing a lien with the County
  4. Bringing a foreclosure action
  5. Filing suit
- d. If there is no response to the 6 month letter, and after the 45 day time limit has passed, as soon as practicable, the HOA Board of Directors will schedule an open meeting as required by the Texas Property Code. The meeting will have a published agenda with the enforcement action to be considered as the agenda item. A majority of the Board will decide the next steps to take in an effort to collect the past due amount.
- e. If the action taken described above does not result in the account being brought current within 60 days after the action was taken. The HOA Board of Directors will schedule another open meeting with a published agenda. The subject of the agenda will again be the enforcement actions that may be legally taken under the Texas Property Code. Whatever the majority of the Board agrees to do will be in accordance with Texas Property Code regarding collections of past due assessments.
- f. Exceptions to sending the six month letter and the follow-up actions as detailed in c and d above:
- i. The balance due from the homeowner is less than \$100 and consists entirely of late fees. In this instance the Board may elect by, majority vote, not pursue the actions taken in c and d above. This election needs to be reviewed annually from the date initially taken by the Board.

This Policy became effective on September 19, 2022.

Signed this 4 day of NOV, 2022

Stafford Estates Homeowners' Association, Inc.

By:   
 Arnold Adkison, President

THE STATE OF TEXAS  
 COUNTY OF DENTON

This instrument was acknowledged before me on this 04 day of Nov 2022 by ARNOLD ADKISON on behalf of Stafford Estates Homeowners' Association, Inc.

