

Collect Associates



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TO: Savin Rock Unit Owners
FROM: Robert Pagliaro, Property Manager
DATE: July 12, 2016
RE: Collection Policy

On April 14, 2016 the Connecticut Supreme Court released a decision that Associations may not commence an action to foreclose on a unit owner unless the Board of Directors adopts a standard collection policy as a **Rule**.

The Court ruling states that all Associations need to Adopt a Collection Policy (if they do not have one) or Re-Adopt a Collection Policy (if there is one currently in place). On July 1, 2010, Savin Rock Condominiums adopted a Collection Policy. The Policy that we are presenting to the Association for adoption is the same policy as adopted in 2010.

Under Connecticut General Statute 47-261b, in order to adopt a rule, the **Board must give notice to unit owners at least 10 days before adopting, amending or repealing a rule. Unit owners will be given the opportunity to comment on the adoption, amendment or repeal of the rule prior to the Board voting.**

On **Tuesday, July 26, 2016 at 7:00 PM** (at the monthly Board of Directors Meeting held at the Clubhouse), the Board will be voting to adopt the Collection Policy as presented. All unit owners are welcome to attend the meeting and will be given a chance to comment before the Board officially votes on the policy.

We have enclosed a copy of the Collection Policy for your perusal. Thank you for your understanding.

Pagliaro Inc. d/b/a Collect Associates
- Professional Collection Services -
Property Management • Rent Receiverships

COLLECTION POLICY
for
Savin Rock Condominium Association

This collection policy shall be the Association's "standard collection policy" pursuant to Connecticut General Statutes § 47-258(m). The Board of Directors hereby authorizes the commencement of a foreclosure action by its counsel where a Unit Owner is in default in payment of their common expenses and the account has been turned over to counsel for collection by either the property manager or the Board of Directors. We hereby authorize Association counsel to commence foreclosures when the equivalent of at least two (2) months of common expenses are due and owing from a unit owner and to otherwise bring a small claims action when there is an arrearage of any lesser amount which is past due.

Due Date and Application of Payments:

Common Expenses shall be due on the first day of each month.

Payments received after the twenty eighth (28th) of the month will cause the unit owner to be assessed late fees, collection costs, attorney's fees and interest as follows:

A \$ 20.00 per month late fee per unit for each month Common Expenses are outstanding until paid in full;

Interest at the rate of 18 % percent per annum calculated from the first of the month for all payments made after the twenty eighth (28th) of the month; and

Homeowners are expected to pay their monthly common expenses on the first of each month and to maintain a zero balance. If there is a balance due equal to two (2) months of common expenses it will be referred to counsel for foreclosure. If there is a balance less than two (2) months of common expenses it may be referred to counsel for a small claims action. In either event, homeowners will be responsible for any attorney's fees and collection costs incurred to collect or in attempting to collect outstanding Common Expenses.

Payment received shall be applied:

First, to the oldest monthly common expense balance due;

Second, to interest, if applicable;

Third, to late fees;

Fourth, to outstanding fines, if any;

Fifth, to any special assessments;

Sixth, to common expenses assessed in accordance with the Association's governing documents;

Seventh, to collection costs, attorney's fees and expenses incurred in the collection of any common expenses.

Effective: _____, 2016

Its
Duly Authorized