

# *Late Fees*

(Rev 8 May 2011)

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## **Background**

Two associations are involved in the operation of Sweetwater Park. The first is the Sweetwater Park Homeowners Association (HOA) whose responsibilities include road maintenance (our biggest single operating expense), review and oversight of home construction, oversight of any snow plowing done within the boundaries of the HOA, noxious weed control, collection of dues, and general operation of the association.

The second is the Bear Lake Water Company (BLWC) which maintains and operates the water system for Sweetwater Park HOA, the Golf Course HOA, and the Sweetwater Trailer Park HOA. Although the water company is operated as a separate entity it is actually owned by the three HOA groups representing property owners. Members from the respective HOA boards serve on the board of the Water Company.

Funds needed to operate the HOA and the Water Company are determined each year by their respective boards based on the need for future capital improvements and the trend of operating and maintenance expenses from previous years. Billing and collection of both the HOA dues and the Water Company assessments are the responsibility of the Home Owners association who then uses the HOA funds for its area of responsibilities and transfers Water Company funds directly to the Water Company to be used in operating and upgrading its water system.

## **The Issue**

The above process flows smoothly when all property owners pay their dues fully and on time. For the most part that occurs within our association. There are a few property owners, however, who are regularly delinquent each year in spite of the extra burden such negligent behavior places on those who are faithful in meeting their obligations.

In 2007 the HOA implemented a late-fee process to be followed for delinquent accounts. A late fee of \$25 was applied the first of April for delinquent accounts. An additional late fee of \$50 was added in August for still delinquent accounts and another \$50 in November for any accounts still delinquent. That process was refined in early 2009 to the following:

- Feb 1-7 Dues/Assessment invoices are mailed out to all property owners with payment due Mar 15th.
- Mar 15 Payments received after this date are past due.
- Mar 31 Monthly late fee of \$14 plus 1.5 % per month interest (18 % APR) added to all delinquent accounts at the end of each month beginning with the end of March. The \$14 late fee is to cover such labor and materials collection costs as tracking, posting, billing, certified/registered letters, local/long distant phone calls, etc.
- Dec 15 Lien fee of \$100 added to all delinquent accounts to pay for costs associated with filing/removing such liens. A notification is mailed to the last known address of the delinquent property owner and a lien against the property is recorded with Rich County. *Liened amounts will continue to accrue interest at the rate of 1.5 % per month (18 % APR) until paid in full.*

A description of the late fee process was included with the dues/assessment mailing for 2009 and is published here to make certain that the process is readily available for review by all property owners.