

NEWINGTON FOREST COMMUNITY ASSOCIATION, INC.
ADMINISTRATIVE RESOLUTION NO. 10

(GUIDELINES FOR COUNSEL'S MANAGEMENT OF DELINQUENT
ASSESSMENT ACCOUNTS)

(8/18/20)

WHEREAS, Article 4, Section 4.01 of the Association's Bylaws empowers the Board of Directors (Board) to exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of the Bylaws, Articles of Incorporation or the Declaration; and

WHEREAS, the Board deems it to be in the best interest of the Association, in order to reduce cost and unnecessary processing delays, to adopt certain guidelines under which the Association's counsel can manage the Association's delinquent assessment accounts, without referral to the Board; and

NOW, THEREFORE, BE IT RESOLVED THAT the Board does hereby adopt the following policies and procedures:

I. GENERAL TERMS

A. The Association's counsel shall comply with all prior and subsequently-adopted policy and administrative resolutions regarding the collection of delinquent accounts as well as the applicable provisions of the Association's Declaration and the Code of Virginia. This administrative resolution provides further guidelines regarding the management of a narrowly-defined set of circumstances that the Association's counsel may encounter during its management of the Association's delinquent assessment accounts.

B. The Association's counsel shall, in all cases that do not fall squarely within the provisions of this Resolution, refer the (account) same to the Board for review and decision, when necessary, and include any recommendations it may have about an account.

C. The Association's counsel may, in its sole discretion, refer an account to the Board for review and decision, if unique circumstances deem it appropriate, even if an account is specifically addressed by the provisions of this Resolution, and action may otherwise be taken without referral to the Board under this Resolution.

D. The Board reserves the right to review and make decisions upon any delinquent assessment account being managed by the Association's counsel at any time and upon its request and to deviate from the guidelines set forth in this Resolution, if circumstances deem it appropriate. Such circumstances may include, but are not limited to, unusual hardship of the Owner or other good cause, as solely determined by the Board.

II. PAYMENT PLANS

A. The Association's counsel may, without specific referral to the Board, approve payment plans that satisfy the following conditions:

1. Are no longer than twelve (12) months in duration;

2. Seek no reduction in the total amount owed which includes all assessments, late fees, other charges, legal fees, costs, and interest, due through the current date of such request; and
3. Keeps the account current for all quarterly assessments that occur during the payoff time period.

The Association's counsel may accept the first monthly installment of the payment plan at the time of its approval to start the payment plan. A payment plan does not begin until the first installment is received by the laws firm.

B. The Association's counsel must obtain the decision of the Board for any payment plans that are not explicitly addressed by Section II, A of this resolution.

III. WAIVER REQUESTS

A. The Association's counsel may, within its sole discretion based on the facts and circumstances surrounding each case, without referral to the Board and upon the request of an Owner, decelerate an account, provided that the Owner remits all assessments, late fees, other charges, legal fees, costs, and interest, due through the current date of such request.

B. All other waiver requests shall be referred to the Board for review and a decision.

IV. FORECLOSED LOTS AND BANKRUPTCY DISCHARGES

A. The Board authorizes counsel, without referral to the Board, to take no further action on a particular debt and to notify the Association's management agent of the mandatory write-off of a particular account, when any U.S. Bankruptcy Court orders a discharge of the debt in a bankruptcy proceeding.

B. If the property has been foreclosed upon and a judgment has been obtained against the Owner, counsel shall obtain the permission of the Board prior to taking post-judgment collection action on the account.

C. At the time counsel receives a change of ownership notice for a property related to a delinquent assessment account or after all Board-directed post judgment collections efforts have been exhausted, counsel will review the account to determine if the delinquent assessment account should be reclassified as bad debt and notify the managing agent and Board of the determination. Factors to be considered are: account balance, collections costs, foreclosure status and whether the managing agent or legal counsel has a valid address for the owner or banking, employment or other asset information.

All delinquent assessment accounts that legal counsel recommends be reclassified as bad debt will be submitted to the Board for review and action.

At any time the Board may exercise its discretion and direct the managing agent or legal counsel to modify these procedures with respect to an individual account if the Board deems it is appropriate under the circumstances.