



## Annual Assessment Installment Payments Policy

### I. Introduction

Provide owners an option to pay their annual assessment in full by the annual assessment due date, or to pay the annual assessment in a series of equal installment payments over a series of months within the year the annual assessment supports.

### II. Definitions

A. **Annual Assessment Due Date:** The date by which the full annual assessment must be paid to the HOA if paid in full as a single payment. This date is typically in early January, at the start of the calendar year the annual assessment is supporting.

B. **Annual Assessment Notice:** An invoice of the annual assessment mailed to King's Deer property owners. This notice is typically mailed about 30 days prior to the Annual Assessment Due Date.

C. **HOA:** King's Deer Homeowners Association or its designated agent.

D. **Installment Payment Due Date:** The date by which an installment payment must be received by the HOA, in an amount approved by the HOA and on dates specified by the HOA, in order to avoid a late fee and/or interest charge.

E. **Installment Payment:** A fractional amount of the annual assessment, including an Installment Service Fee, to be received by the HOA not later than an Installment Payment Due Date.

F. **Installment Service Fee:** An amount, set by the Board of Directors, to be paid by the property owner to the HOA with each Installment Payment. This Fee is to offset the administrative expense for processing Installment Payments.

G. **Late Fee:** A fixed amount, set by the Board of Directors, charged by the HOA to a property owner who does not deliver an Installment Payment to the HOA by the Installment Payment Due Date.

### III. Description

A. Three payment options are offered.

1. Pay the full annual assessment in one payment, not later than the Annual Assessment Due Date.
2. Pay the annual assessment in two equal Installment Payments, by dates specified within this policy, or as otherwise established by the Board of Directors.
3. Pay the annual assessment in four equal Installment Payments, by dates specified within this policy, or as otherwise established by the Board of Directors.

B. The HOA shall send an Annual Assessment Notice for each property to the property owner, or to a property manager designated in writing by the property owner, in advance of the Annual Assessment Due Date. The Notice will include the amount of the annual assessment, the property for which the annual assessment applies, information about the payment options available, and the HOA payment policy listing late fees and interest that will be imposed on late payments and when those fees and interest will be imposed.

C. If an owner selects to pay the annual assessment, upon receipt of the initial payment from the owner, the HOA will send to the owner, as a courtesy, preprinted payment coupons for all subsequent annual assessment payments due, identifying the date each payment is due, the amount due on each date, the property account the payment credits, and the mailing address for the payment. These coupons will only identify the amount due to the HOA for fulfilling the annual assessment obligation and the associated service fees. Any other financial obligations will remain valid until paid in full, but will not be identified in the payment coupons. Failure of an owner to receive the preprinted coupons from the homeowners association shall not relieve the owner of the obligation to make timely payments of subsequent Installment Payments including their associated service fees.

D. The owner shall identify the payment option of their choice in the first payment returned to the HOA in January. If no option is identified by the owner the HOA shall assume the option that most closely corresponds with the amount of payment received, provided the amount received fully covers at least one payment of the available options.

E. Each Installment Payment will include a fixed Installment Service Charge of \$10, or other amount as set by the Board of Directors. The Board shall establish an alternative amount prior to mailing the Annual Assessment Notice.

F. The first Installment Payment shall be due on the same date as the full annual assessment payment.

G. The amount of the Installment Payment shall equal the full annual assessment divided by the number of installment payments for the option selected, plus the Installment Service Charge.

H. Each Installment Payment not received at the HOA mail box by the Installment Payment Due Date will incur a Late Fee of \$50, or other amount as set by the Board of Directors prior to mailing the Annual Assessment Notice

I. Interest charges on overdue payments will begin to accrue on overdue assessment payments beginning on the first of the month following the month in which the assessment payment became overdue. Interest will be charged at a rate specified by the Board of Directors.

J. Delays by the postal system, regardless of postmark date will normally not excuse late delivery of payment to the HOA.

K. An owner will be in bad standing with the HOA if an Installment Payment is not received by the Installment Payment Due Date, and will remain in bad standing until that payment, plus any late fees, interest charges and any other circumstances that place an owner in bad standing, have been resolved to the satisfaction of the Board of Directors.

L. **Installment Payment Due Dates.** For the two payment option, the second Installment Payment Due Date is March 1. For the four payment option, the second, third and fourth Installment Payment Due Dates are March 1, May 1, and July 1, respectively.

M. **Early Payment Provision.** An owner using the installment payment option may not change to a different payment option having more payment installments during the year of the assessment. However, an owner may pay the full remaining unpaid balance of an annual assessment in one payment, plus one Installment Service Charge if it is paid to the HOA not later than the next Installment Payment Due Date.

N. If the owner is in arrears on previous payments identified in the Annual Assessment Notice, any payment received from the owner will first be applied to the oldest interest charges, then the oldest late fees, then payment of the oldest unpaid principal due, before applied to the most recent annual assessment amount due.

O. The Board of Directors has the authority to waive any late fees and interest charges specified by this policy, as deemed in the best business interest of the HOA.

P. The Board of Directors has the authority to change any portion of this policy if publicized to the membership in the Annual Assessment Notice to which the changes apply.

Approved by Board of Directors February 9, 2010.

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*Rich Paul, Board President*

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*John Highhouse, Board Secretary*