

Assessment Recovery Proven Process



- Receipt of request to proceed with assessment recovery
- Create online MAGC* account for management & board access

- Sent within 1 - 3 business days of request
- Confirm ownership via County records search
- Includes all required FDCPA notifications**

- Lien recorded with County failing resolution to 30-day letter
- Owner sent copy of lien & advised 10 days to pay

- Proprietary collection report and recommendation prepared failing resolution to lien & additional 10-day letter
- Industry leading tools utilized to determine likelihood of collecting assessments via court action or foreclosure
- Asset & employment search to help determine owner ability to pay assessments
- Mortgage and real estate tax searches to determine amounts secured by residence
- Owner location search to determine last known address as offsite or address changes may not have been provided to Association*

- If collection report establishes a high probability of collecting directly from the owner, we will typically recommend filing suit in Circuit Court to obtain both a personal Judgment and foreclosure Judgment for all amounts owed
- If collection report establishes a low probability of collecting directly from the owner, we typically recommend moving forward with foreclosure of the Association's lien by advertisement

*MAGC: Our online, interactive MAGC system provides you with automated status reports and 24/7 real-time access to all account information, saving you time and keeping you informed

**Payment Arrangements: If owner proposes a payment plan at any time during the assessment recovery process, we will provide the proposal to the Board for review and consideration. If approved, we monitor the payments for the duration of the plan, with the owner making payments through our office at no charge to the Association

+Tenant Rent Demand Letter: If a condominium and tenant is determined to be residing in the unit, tenant will be instructed to send all rent payments to the Association until the account is current as permitted under the Condominium Act

Communications: Respectful & prompt to help ensure faster payment and resolution



ASSESSMENT RECOVERY PROVEN PROCESS CONDOMINIUM ASSOCIATION

The following outlines our suggested methods for recovering delinquent assessments:

1. Request to Proceed with Assessment Recovery & Creation of MAGC Account

When a request to proceed with assessment recovery is received, we create an online MAGC account for management and Board access. MAGC is our online, interactive system that provides you with automated status reports and 24/7 real-time access to all account information, saving you time and keeping you informed.

2. County Records Search & 30-Day Demand Letter

a. County Records Search: Prior to sending a demand letter, we confirm unit ownership via a County records search. We often find that co-owners transfer their interest in a unit (for example, to spouses, trusts, etc.) without notifying the Association.

b. 30-Day Demand Letter: Sent within 1 to 3 business days of request to proceed.

- **Accelerating Payments:** Some co-owners are regularly late with assessment payments. To avoid having to repeatedly address these delinquent accounts throughout the year, in those instances where the annual assessment is paid bi-annually, quarterly, or monthly, and to the extent expressly permitted by the governing documents, the Association should consider accelerating the remaining installments of the annual assessment for that fiscal year.

- **Payment Arrangements:** If a co-owner proposes a payment plan at any time during the assessment recover process, we will provide the proposal to the Board for review and consideration. If approved, we monitor the payments for the duration of the plan, with the co-owner making payments through our office at no charge to the Association.

3. Lien & 10-Day Lien Letter

a. Lien: Failing resolution of the account in response to our 30-day demand letter, we prepare a lien and record it with the County.

b. 10-Day Lien Letter: We also send the co-owner a copy of the lien advising that they have 10 days to make overdue payments to avoid suit or foreclosure of the Association's lien.

4. Collection Report & Recommendation

Failing resolution of the account in response to our 10-day lien letter, we prepare a collection report utilizing industry leading tools that help determine the likelihood of collecting assessments via court action or foreclosure of the Association's lien.

- **Asset/Employment Search:** We search for assets and employment information to help determine the co-owner's ability to pay assessments. Factors that are taken into consideration include employment status, value of assets that can be seized (e.g., vehicles and boats), ownership of other real property, and whether known banking information is available.

- **Mortgage/Tax Search:** We review the County's online records to determine whether a first mortgage or any unpaid real estate taxes are secured by the unit. Knowing this information helps determine whether there is equity in the unit. If there is, the Association is more likely to collect all amounts owed if it proceeds with foreclosure of its lien.

- **Location Search:** We perform a co-owner location search to determine last known address as offsite or additional addresses changes may not have been provided to the Association. If it is determined that a tenant is residing in the unit, we will instruct the tenant to send all rent payments to the Association until the account is current as permitted under the Condominium Act.

5. Recovery

a. High Probability of Collection; Obtaining Personal and Foreclosure Judgment; Garnishment/Seizure: If our collection report establishes a high probability of collecting the delinquent amounts directly from the co-owner, we will typically recommend filing suit in Circuit Court to obtain both a personal Judgment and foreclosure Judgment for all amounts owed. Once the Judgment is obtained, we move forward with collecting on the personal Judgment via garnishment and/or seizure. If personal collection proves unsuccessful (unlikely given our preliminary analysis prior to filing the complaint), the Association can move forward with Judicial Foreclosure.

b. Low Probability of Collection; Foreclosure by Advertisement: If our collection report establishes a low probability of collecting the delinquent amounts directly from the co-owner, we typically recommend moving forward with foreclosure of the Association's lien by advertisement. This method of enforcement is recommended in low collection probability situations as it avoids the cost of filing suit and obtaining a Judgment that is otherwise likely uncollectible. In many instances, the commencement of foreclosure will motivate the delinquent co-owner to make payment arrangements. In those instances where an acceptable payment resolution is not obtained, the Association will either receive payment from a third-party purchaser at the foreclosure sale for the total amount owed to the Association (this is often the case when there is equity in the unit), or the Association will obtain title to the co-owner's unit in satisfaction of all amounts owed, subject to co-owner redemption rights and to any first mortgage or unpaid taxes.

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If you have any questions regarding our suggested collection process, please call Stephen Guerra at (248) 254-7603, or email him at sguerra@maglawpllc.com.