

BARROWLAW

Pennsylvania Association Consulting Systems
Pennsylvania Association Collections Systems
Law Offices of Hal A. Barrow

Assessments In Difficult Times

Nuts 'n Bolts

Assessments & Liens

- Assessment Power
- Lien
- Budgets, Resolutions

Small Claims Court

- Filing Suit
- Judgment

Association Collection Policies

Late Fees
Interest
Acceleration
Collections

Getting Blood from the Stone

Execution - Not Capital Punishment

- Personal Property
- Sheriff's Sales - RE

Tips 'n Tricks

- Info! Info!
- Bank Accounts
- License Plates
- Special Assets
- Pressure Points
- Pool Passes
- Parking Permits

Deadbeats at Your Door

Who are the delinquents

- Temporary Issues
- Chronic Cases

Foreclosures

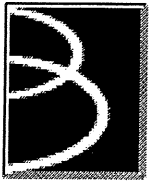
- What's the Lien Worth?
- Protecting Your Position

Bankruptcy

- Chapter 7 = Foreclosure
- Chapter 13 = Limbo
 - Split Accounts - Split Rights
 - Pre & Post Accounts
 - Does It Pay to be Aggressive?

Impacts of a Down Cycle

- Need for increased diligence
- Impact of foreclosures



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TWIN ACRES V. JONES

Twin Acres Condominium is a garden apartment style community in suburban Philadelphia. It consists of 120 units, and has a five member Board of Directors. All of the members of the Board have been in office since the '80's, when the community was converted to a condominium. Acme Management has been its community manager from the beginning.

Dick Jones owns Unit 111 at Twin Acres. He has lived there since 1990, and has chronically been delinquent in the payment of his assessments. The Association has taken him to Court twice before. His assessment account is compounded because of rules violations that result in fines. Over the past two years, \$750 in fines has been imposed against his account for a variety of violations, including improper parking and storing trash and other items on the common elements outside his patio. A late fee is added to his account almost every month.

In February, 2008, the Association sent Jones a letter warning that he would be referred to the Association attorney for collection if his account was not paid in full. No payment was made, and the Community Manager sent a copy of the account history to the Association attorney and requested prompt action.

Although the Declaration of Condominium permits acceleration of assessments, the Board did not have any policy about whether or when to accelerate and the accounting records were not adjusted to reflect if acceleration was applied to this account. The Association also has no policy with regard to interest. A late fee of \$25 is charged each month if there is any balance due on the account.

After the lawyer's demand letter went unanswered, suit was filed in the local District Court. Jones notified the district court that he intended to defend. Nevertheless, he did not appear on the hearing date and a default judgment was entered for the amount claimed in the original Complaint. At this point, however, the amount due on his account had increased by approximately \$1,000, due to additional assessments and fines, as well as legal fees.

After the judgment was entered, the Association had an Order for Execution issued, and a Constable Sale was scheduled. On the day prior to the scheduled Constable Sale, Jones filed for Relief Under Chapter 13 of the Bankruptcy Code. This is the third time he has filed a Bankruptcy Petition in the last five years. One Petition was filed in order to avoid a pending Foreclosure Sale. The other Petition was filed because of an Association Judgment. Each time, the Petition was dismissed because Jones did not make the required payments to the Trustee.