



Mandatory Information on HOA Delinquency Notices

As managers & Board of Directors know, Associations are required to follow the Collection Policy for each Association. The Association's Collection Policy is the document that outlines the process for how collections are handled. Each policy will outline how many Notices are sent prior to an Owner's account being turned over to legal counsel. We recommend that each Association review the Collection Policy periodically in order to determine if it complies with changes in statutes and the policy still makes sense in the current environment.

In order for the Association to have a successful collection process, Notices that are sent for the Association by the Management Company need to contain required information per Colorado Statutes, specifically C.R.S. Sections 38-33.3-209.5(5)(a)(V)(A) – (D).

The following are the required specifications on Notices:

- **The total amount due, with an accounting of the amount due and how the total was determined. Providing a copy of the Owner's ledger could satisfy this requirement.**
- **Payment Plan Opportunity needs to be given pursuant to section 38-33.3-316.3 and instructions for contacting the Association to enter into such a payment plan must be provided in the Notice. The current statute provides for a six-month payment plan. There are a few exceptions to this, therefore we encourage you to check with legal counsel before accepting a payment plan. However, if an Owner is eligible and they make a request for a payment plan, by law the Association must approve at least the six-month payment plan or at its discretion, can approve a longer time frame.**
- **The name & contact information of the individual that the Owner may contact to request a copy of the Owner's ledger must also be listed on the Notice. This is so that an Owner may contact that individual in order to verify the amount of the debt.**
- **The Notice must also list what action an Owner will need to take to cure the delinquency, and that failure to do so within thirty days may result in the Owner's account to be turned over to a collection agency, that a lawsuit may be filed against the Owner, that a foreclosure of a lien may be initiated and that other remedies available under Colorado law will be enacted.**

IT IS IMPERATIVE THAT THESE REQUIREMENTS BE LISTED ON NOTICES IN ORDER TO ENSURE SUCCESSFUL COLLECTION ACTIONS FOR THE ASSOCIATION.

As such, we recommend that all Notices are reviewed to ensure that the required information is listed as outlined above. As always, please do not hesitate to contact legal counsel to assist in this process. The legal fees spent in this review can help the Association be successful in the collection process and ensure that the Association acted legally as required under the law.

Have questions about Board Member Duties & Responsibilities?

Contact us at: info@westernlawgroup.com

THIS IS NOT LEGAL ADVICE. FOR INFORMATIONAL PURPOSES ONLY.