

August 2005 - News Story:

Monthly chat with the POA General Manager

Unpaid property owner accounts are dealt with

By Jim Owens

Over the past several months I have written about matters that Stan Stewart, POA General Manager, wished to bring to the attention of Big Canoe property owners. Using a "question and answer" format we have covered items of interest which have not been reported on in the detail contained in these articles. As with all POA matters, Mr. Stewart and his staff are pleased to answer further questions of property owners about any subject discussed in these reports.

This month's topic for discussion is the POA's delinquency policy as to unpaid debts owed by property owners to the Association. Big Canoe property owners were recently furnished with a copy of the newly revised policy. I have been informed that the major source of such delinquent accounts is from unpaid monthly assessments and amenity charges.

Question #1: Please briefly describe the POA's practices with respect to unpaid assessments and amenity charges.

Response: The POA has administrative procedures and legal procedures that go hand in hand in the efforts to collect from property owners. At 60 days past due administrative procedures will be implemented which include the temporary loss of certain rights of property owners such as the right to use amenities; the loss of charging privileges and member discounts; the loss of the right to vote; the loss of the right to participate in committees or serve on the Board and the loss of access to the "Member Only" portion of the POA website. Once the account becomes 120 days delinquent automobile decals are not issued. When automated gates are installed an entrance fee will be assessed.

With our new computer system it will be much easier to enforce our administrative procedures and practices than it has been in the past.

In regard to legal procedures these include a warning letter at 60 days, a follow up letter at 90 days with the account being turned over to our collection attorneys after 90 days

Question #2: Please highlight the recent changes in the POA's delinquent accounts policy and practices.

Response: The recent changes in the policy reduced the number of days the POA waits to take action on delinquent accounts. It also spells out the specific steps and timeline for sanctions.

Question #3: What is the approximate number of property owner accounts handled by the POA each month?

Response: The POA has approximately 3,000 accounts that it bills each month. That number increases every month as new lots and homes are added.

Question #4: On an average how many accounts are treated because of delinquencies and how much debt are you talking about.

Response: On the average there are 90 to 120 accounts each month that fall into the delinquent status. The dollar amount delinquent is around \$90,000. It is significant to keep this situation in its proper perspective. Delinquent accounts represent approximately 1.2% of our billing, and the national Community Association Institute's standards consider anything 3% or under as excellent. While the amount is higher than we'd like, it reflects well over-all on our property owners' concern for their obligations.

Question #5: Under what circumstances are such accounts referred to a law firm for collection purposes? What is the POA's success rate in unpaid account collection, including litigation?

Response: Delinquent accounts are referred to a law firm when they become 90 days in arrears. The POA has had success in the collection of most of the delinquent accounts before they are turned over to the law firm. The law firm collected over \$44,000 last year.

In summary, each property owner has an obligation to pay their monthly POA bill. It is a hardship on staff and our budget when any owner fails to meet this obligation. We will work with anyone who has a legitimate short-term circumstance; nevertheless, we intend to strictly enforce the Board's policy on those who are delinquent. Our delinquency policy is required in fairness to all property owners and the evidence shows that it works!



[Print this article](#)

[Top of Page](#) | [Previous Page](#) | [Front Page](#)

© 2005 All Rights Reserved - Homeowners Association of Big Canoe, Inc.
Smoke Signals Online