

Mutual 28
Special Session of the Board
August 17, 2020, 1:00 PM

Meeting Location: Zoom

Topic: Collection Practices And Customer Service Guidelines To Be Implemented By The Accounting Dept. for Mutual 28

Attendance

Directors

Richard Saillard, President
Susan Hildreth, Vice President
Isabelle Chen, Secretary/Treasurer

Attendees

Paul Donner, Director Mutual Operations
Rick Chakoff, Chief Financial Officer, GRF
Tess Haskett, Assistant Controller

Meeting Called to Order by President Saillard at 1:00 PM

The Mutual developed document titled Collection Practices And Customer Service Guidelines To Be Implemented By The Accounting Dept. for Mutual 28 was reviewed point by point to ensure a common understanding the standards contained in this document and why they were created. Specific points made:

1. Rick Chakoff pointed out that the following section of the Guidelines, Delinquencies – Late Fees, is not consistent with M28’s delinquency policy. Following review of Davis Stirling it appears that the recently adopted (10-23-19) Mutual’s delinquency policy is not consistent with state law. President Saillard stated he would investigate the matter and revise the guidance as appropriate.
2. President Saillard indicated that he recently learned that Davis Stirling did not allow the assessment of late fees or the accrual of interest on Enforcement Assessments (fines). The Accounting Department did not appear to be aware of this and they had implemented the assessment of late fees and the accrual of interest on Enforcement Assessments about 3 months ago. President Saillard indicated that he would discuss the issue with the Mutual’s Legal Counsel and revise the guidance as appropriate.
3. The Accounting Department felt that some of the requirements of the guidance were burdensome, but ultimately agreed to implement them. The concern related primarily to copying President Saillard on all delinquency notices sent to M28 residents and self-identifying untimely, inaccurate or incomplete responses to request for information.

4. During the discussion of the guidelines for handling Prepaid Assessments it was agreed that the Accounting Department would not be required to contact residents with prepaid balances of less than \$500 within 60 days of booking the prepaid assessment.
5. Past Due Letters – the Board agreed to review and approve letters to be used to notify residents that they are delinquent. Tess Haskett is to provide the Board with copies of letters used by other Mutuals. The directors will review and revise such letters as needed.
6. The Board approved a Resolution for Lien on assessor's parcel number/management account number: 190-090-077-8 / 028028077. Motion made by President Saillard, seconded by Vice President Hildreth and passed unanimously.
7. The Board decided to wait a couple of months before moving money from our checking account to a brokerage certificate of deposit.

Resident Forum

There were no residents besides Mutual 28 Directors in attendance at the meeting.

Meeting Adjourned at 1:58 PM



Anne Paone, Assistant Secretary
Walnut Creek Mutual Twenty-Eight

Reference

Davis Stirling Requirements

- **Late Fees**
 - A **late charge** not to exceed 10% of the delinquent assessment or \$10.00, whichever is greater (unless the CC&Rs specify a smaller amount).
 - **Interest** on delinquent assessments, reasonable fees and costs of collection, and reasonable attorney's fees, at an annual interest rate not to exceed 12%, commencing 30 days after the assessment becomes due, unless the CC&Rs specify a lower interest rate, in which case the lesser rate applies.
 - Reasonable **attorneys' fees** and costs incurred in collecting the delinquent assessment.
- **One Late Charge Per Assessment.** Associations cannot levy late charges month after month on the same unpaid assessment. A late charge is a one-time penalty of 10% or \$10 (whichever is greater) to encourage timely payment of assessments. (Civ. Code §5650) Thereafter, the association can charge interest at 12% until the assessment is paid (unless the governing documents set a lesser amount). (Civ. Code §5650)
- Associations cannot levy late charges and interest on unpaid fines.