**SAMPLE**

**Late Payment Penalties**

Approved by the Board of Directors \_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_

Association By-Laws, Article \_\_\_, Section \_\_\_, directs the Board to “decide late payment and interest penalties” for members in default for unpaid maintenance fees.\* The Board has decided by majority vote to amend our existing policy. The new policy follows in its entirety:

*According to our By-Laws, payment is due in full thirty (30) days after notification (the “Due Date”). Members will be in default when maintenance fees are not settled by ninety (90) days after the Due Date. Members in default will be subject to late payment penalties on each unpaid maintenance fee. Penalties on the unpaid balance will include an initial late charge of 5% and an annual interest charge equivalent to the interest rate in force at the Office of the Assessor of the Town of \_\_\_\_\_\_\_\_\_\_\_ at the time of default or, if a Notice of Claim is in effect, at the time of settlement. The late charge and costs of collection will be added to the unpaid balance at settlement. Payments received will be applied to the most overdue maintenance fee balance.*

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The above policy is now in effect and rescinds in its entirety the former policy approved by the Board of Directors \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_

\* If your By-laws do not stipulate that the Board decide your penalties for late payment then have the owners decide “Late Payment Penalties” by majority vote.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name of Officer

President/Road Commissioner