

ISSUE #1

MARKUP #1 ->

Section 1: [General Declaration Article VI, Section 6.5] Late Charges and Interest Rate on Delinquent Assessments

Any assessment or installment thereof not paid within ten (10) days after the due date shall incur a late charge of twenty-five percent (25%) of the overdue installment or \$50.00, whichever is greater, and shall bear interest from the due date at the rate of eighteen percent (18%) per annum until paid.



True
HOA

MARKUP #1 · SUBJECTIVE OR OVERBROAD WORDING

BOARD & COUNSEL REVIEW

Sec. General Declaration Article VI, Section 6.5 (p. 1): Late Fee of 25%/\$50 and 18% Interest Exceed Georgia POAA Statutory Caps

Statutory / Legal Reference: O.C.G.A. § 44-3-232(b)(1)-(2)

Statutory Comparison: Under the Georgia Property Owners' Association Act, O.C.G.A. § 44-3-232(b)(1)-(2), to the extent provided in the declaration, a late charge cannot exceed the greater of \$10.00 or ten percent (10%) of the amount of each assessment or installment not paid when due, and interest on unpaid assessments and late charges cannot exceed a rate of ten percent (10%) per annum. Charging a 25%/\$50 late fee and 18% interest violates the statutory ceiling.

CURRENT WORDING IN DOCUMENT:

[General Declaration Article VI, Section 6.5] Late Charges and Interest Rate on Delinquent Assessments - Any assessment or installment thereof not paid within ten (10) days after the due date shall incur a late charge of twenty-five percent (25%) of the overdue installment or \$50.00, whichever is greater, and shall bear interest from the due date at the rate of eighteen percent (18%) per annum until paid.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Amend Section General Declaration Article VI, Section 6.5 ([General Declaration Article VI, Section 6.5] Late Charges and Interest Rate on Delinquent Assessments - Any assessment or installment thereof not paid within ten (10) days after the due date shall incur a late charge of twenty-five percent (25%) of the overdue installment or \$50.00, whichever is greater, and shall bear interest from the due date at the rate of eighteen percent (18%) per annum until paid.) to conform with O.C.G.A. § 44-3-232(b)(1)-(2) and the manual attorney audit recommendations for Big Canoe Property Owners Association, Inc..