

ISSUE #1

Section 1: [Article V, Section 5.9] Delinquent Assessments Interest Rate and Lien Foreclosure

Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum, and the Board of Directors may refer the account to the Association's attorney to initiate judicial foreclosure of the Association's assessment lien.

MARKUP #1 ->

MARKUP #1 · CONFLICTS WITH MANDATORY STATE STATUTE

BOARD & COUNSEL REVIEW

Sec. 1 (p. 1): Delinquent Assessment Interest Rate Exceeds C.R.S. § 38-33.3-316.3(2) 8% Cap: Clause imposes a default interest rate exceeding Colorado's mandatory 8% per annum statutory cap.

Statutory / Legal Reference: C.R.S. §§ 38-33.3-316(1), 38-33.3-316.3(2) (HB 22-1137 8% Per Annum Interest Cap)

Statutory Comparison: Under C.R.S. § 38-33.3-316.3(2) (as amended by HB 22-1137), an association may not charge interest on unpaid assessments, fines, or fees at a rate greater than eight percent (8%) per annum.

CURRENT WORDING IN DOCUMENT:

[Article V, Section 5.9] Delinquent Assessments Interest Rate and Lien Foreclosure Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum, and the Board of Directors may refer the account to the Association's attorney to initiate judicial foreclosure of the Association's assessment lien.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Amend Section 1 to conform strictly to C.R.S. §§ 38-33.3-316(1), 38-33.3-316.3(2) (HB 22-1137 8% Per Annum Interest Cap).