

Dollars & Sense: CaRing for Your Community
2012 Community Association Law Seminar & Expo

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1. CaRE: Collections and Recovery Efforts Programs

- Standard CaRE Magistrate Money Judgment
- Advanced CaRE Superior Court Foreclosure & Money Judgment
- Flat Fees Billed When Collected
- Working Together to Collect
 - i. Linked Systems
 - ii. Pre-Authorized Suits and Payment Plan Discretion
 - iii. Asset Information

2. Homeowner Bankruptcy

- 2011 Georgia Personal Bankruptcy Statistics
- Impact on Association Collections
- Chapter 13 – Reorganization of Debt
 - i. Proof of Claim
 - ii. Post-Petition Obligations
- Chapter 7 – Liquidation of Debt
 - i. Likelihood of Foreclosure
 - ii. Lien Remains if No Foreclosure

3. Lender Foreclosure

- 2011 Georgia Foreclosure Statistics
- Association Lien Extinguished
- Impact on Community
- Protecting Tenants at Foreclosure Act

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Weissman Nowack
Curry & Wilco 
ATTORNEYS AT LAW

Collections in Your Communities

- CaRE Collections
- Bankruptcy Update
- Foreclosure Update



CaRE Collections

- Streamlined
- Board & Owner Focused
- Simple to Understand
- Online Access to Collection Files
- Risk-Free



CaRE Collections

- Determined by Board's collection philosophy and goals
 - Lien Filing Program
 - Standard CaRE Program
 - Advanced CaRE Program
- Board & Owner Oriented
 - Respectful Collections
 - Client Service Coordinator
 - Collection Counselor



CaRE: Collection & Recovery Efforts Programs

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Why CaRE?

- Magistrate Court – Efficient
- Fixed-Fees – Transparent
- Risk-Free
- CaRE Team

We care.



Owner Bankruptcy

- Overall bankruptcy filings dropped 12% in 2011 (first decrease since 2006).
- Georgia moved up from #3 to #2 in most per-capita bankruptcy filings, behind only Nevada.
- 2011: 7 filings for every 1,000 Georgians.



Owner Bankruptcy

- Half % decrease in per capita filings in Georgia for 2011.
- 51% filed Chapter 13 (47% in 2010)
- 49% filed Chapter 7 (53% in 2010)



Bankruptcy Basics

- The Automatic Stay
 - Stops all collection efforts.
 - Requires different treatment of pre-petition and post-petition debt.



Bankruptcy Basics

- Chapter 7 Bankruptcy
 - Liquidation & discharge of debt
 - Lien remains if owner keeps home
 - Must meet Means Test



Bankruptcy Basics

- Chapter 13 Bankruptcy
 - Reorganization of debt
 - Up to 5 year repayment plan
 - Associations repaid pre-petition debt through plan
 - Obligation to pay post-petition assessments



Lender Foreclosure

- Nationwide foreclosures dropped in 2011.
- Georgia had 4th highest rate of foreclosures.
- 16% decline in Georgia foreclosures from 2010 to 2011.



Lender Foreclosure

- Increase in foreclosures expected in 2012
 - Investigations regarding bank robo-signing documents expected to be resolved.
 - Paperwork holdups expected to be resolved.



Lender Foreclosure

- Impact on Associations:
 - Extinguishes Association's lien
 - Owner's debt no longer secured
 - Reduces property values in community
 - Bank or other new owner responsible for assessments after foreclosure



Lender Foreclosure

- Georgia Senate Bill 136:
 - Would have added a priority lien for equivalent of 6 months' assessments.
 - Bankers and Realtors: We need your support!

Georgia House Bill 739:

- Would invalidate existing transfer fees after foreclosure or deed in lieu of foreclosure



Lender Foreclosure

- Protecting Tenants at Foreclosure Act (2009)
 - Federal law gives bona fide tenant 90 days to vacate after formal notice foreclosure complete.
 - New owner must allow bona fide tenant with lease in place prior to notice to remain for term of lease.
 - Law sunsets on December 31, 2014.



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**Thank
You!**