

PRACTICE AREA

# Condo Fee Collection



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## OVERVIEW

Condominium fees are the only source of funding for condominium operations. Condominium fees provide the money to cut the lawn, fix the roof and plow the parking areas. The hard part about condominium living is if one person does not pay their condo fees, the rest that did their part and paid their fees, have to subsidize those that did not pay. The Condo's vendors expect to be paid no matter how many owners are delinquent.

The 1980's saw nearly a complete collapse in the condominium market. The economy tanked and numerous owners in condo buildings were unable to pay their mortgages let alone their condo fees. Condominium Associations had little if any leverage to ensure payment of fees in the face of lender foreclosures. From those ashes rose the phoenix known as the condominium super-lien, which leveled the playing field between condominiums and lenders by allowing the statutory lien for unpaid condo fees to jump over the lender's first mortgage for certain periods of time.

Currently 20 states, including Massachusetts, Rhode Island, New Hampshire and Florida have some form of condominium super-lien. Maine has been trying to convince its legislature to adopt one to no avail. Hopefully that changes in the near future. Allcock & Marcus attorneys have been involved in the drafting of super lien legislation.

The trick to the super-lien and condo fee collections is in the details. The condominium acts impose strict deadlines, time limits and often impose severe penalties for non-compliance. On the plus side, if done right, most cases allow condominiums to recover their attorney fees. The goal is to get the condo its unpaid fees (and its attorney fees and costs) as quickly as possible.

Allcock & Marcus attorneys understand how the condo acts and super-liens operate

in New England and Florida. Our attorneys are detail oriented and have the relationships with the lenders and their counsel to get your condominium paid and made whole as quickly as possible. We will give these matters the attention they deserve and guaranty that these matters will be handled by attorneys (not collections staff like some of the other firms) who will guide your through the process from start to finish and update you regularly on the progress of your collection matters. We are working on a client portal which will allow you to see the progress of your legal and collection matters as they occur. The days of handwritten progress reports faxed back to you are over, even though some of the older law firms eschew technology like computers.