

Cider Mill's Ballot Valid ?

The decision to disqualify Cider Mill Apartments ballot with its 864 votes for three (3) seats on the MVF Board of Directors "[because of \\$334 it owes the foundation in late fees](#)" is not supported by the Foundation's assessment collection records dating back to 1988.

Ballots are disqualified and not opened or counted if there is a delinquency balance owed to the Foundation of \$25 or more. Assessment payments for the Montgomery Village Foundation (MVF) and Designated Users Facilities (DU) funds from 8,480 homeowners of the 11 Homes Corporations are collected quarterly and according to [MVF Collection Policy](#) assessments are delinquent if not received by the last day of the first month of each quarter and is subject to a \$25 administrative fee plus interest at an annual rate of 6%.

The 9 Condominiums with 2013 units and 4 Apartment Rental communities totaling 1400 units are invoiced each month for the Montgomery Village Foundation (MVF) fund assessment charges for its units.

The [MVF Collection Policy](#) only applies to assessments paid to the Foundation from homeowner members of the Village's Homes Corporations. It is unclear what are the Foundation existing policies or practices concerning overdue unpaid assessment charges to Condominiums and Apartments. Does the Foundation charge Condominiums and Apartments late fee for pasted due amounts based on a fixed amount per unit, a percentage of the delinquent amount and or an annual interest cost?

The \$25 threshold for ballot disqualification is equal to 8.3% of the annual assessment of Homes Corporation owners while ranging 00.05% for the Heron's Cove 408 units to 00.19% for Thomas Choice 103 units for Condominium communities and 00.0015% for Cider Mill 864 units to Sunrise Village 00.13% with its 147 units.

The "Fourth Quarter 2007 Delinquency Report" given to MVF's Board of Directors before it January 24th board meeting included an "Analysis of Delinquent Accounts December 31,207" and a "Comparison of Delinquency Rates 1991-2007" summarized by Homes Corporations and Condominiums/Apartments.

These reports indicate Cider Mill has had a zero unpaid balance on its account since December 2002 and there is no indication Cider Mill has not paid its monthly assessment on time since 1991.

Is there any reason why Cider Mill's Ballot should not be opened and its 864 votes included? Is there any reason why the owners of Cider Mill Apartments should not be given a public apology? Can anyone at MVF count or account?

MVF Analysis of Delinquency 2001-2007

Delinquency	# of Units	% of Units	% of Annual Assessment \$25 % of AA	2001		2002		2003	
				% # Delinquent	% \$ Delinquent	% # Delinquent	% \$ Delinquent	% # Delinquent	% \$ Delinquent
East Village	1,389	16.38%	8.37%						
Eastgate	443	5.22%	8.37%						
Maryland Place	276	3.25%	8.37%						
Middle Village	528	6.23%	8.37%						
Northgate	1,149	13.55%	8.37%						
North Village	888	10.47%	8.37%						
Poplar Spring	18	0.21%	8.37%						
Patton Ridge	1,260	14.86%	8.37%						
Stedwick	1,072	12.64%	8.37%						
South Village	1,010	11.91%	8.37%						
Whetstone	447	5.27%	8.37%						
Total HC \$									
Total HC %	8,480	100.00%		9.10%	5.60%	8.00%	4.20%	7.10%	3.60%
Condominiums									
Breckenridge Condominium	120	3.54%							
Center Court	132	3.90%	0.15%						
Christopher Court	266	7.86%	0.07%						
Horizon Run	154	4.55%	0.13%						
Heron's Cove	406	11.99%	0.05%						
Normandie on the Lake I	162	4.78%	0.12%						
Thomas Choice	103	3.04%	0.19%						
Thomas Choice Gardens	300	8.86%	0.07%						
Normandie on the Lake II	288	8.51%	0.07%						
Park Place and Villas	150	4.43%	0.13%						
Total Condo		57.91%							
Apartments									
Breckenridge Apartments	178	5.26%							
Cider Mill	864	25.52%	0.02%						
Sunrise - Village House	147	4.34%	0.13%						
Walker House	211	6.23%	0.09%						
Gables Rothbury	203	6.00%	0.10%						
Total Apts		42.09%							
Total Condo & Apts Units \$									
Total Condo & Apts Units %		100.00%		29.40%	1.60%	29.40%	1.60%	4.60%	0.50%

MVF Analysis of Delinquency 2001-2007

Delinquency	2004		2005		2006		2007	
	% # Delinquent	% \$ Delinquent	% # Delinquent	% \$ Delinquent	% # Delinquent	% \$ Delinquent	# Delinquent	\$ Delinquent
East Village							86	\$15,004
Eastgate							35	\$5,265
Maryland Place							33	\$5,596
Middle Village							70	\$11,786
Northgate							90	\$19,497
North Village							104	\$21,517
Poplar Spring							1	\$215
Patton Ridge							81	\$16,106
Stedwick							90	\$18,823
South Village							77	\$16,035
Whetstone							15	\$2,681
Total HC \$							682	\$132,525
Total HC %	5.40%	2.70%	4.80%	2.00%	6.30%	2.40%	8.00%	3.70%
Condominiums								
Breckenridge Condominium							120	\$1,920
Center Court							0	\$0
Christopher Court							0	\$0
Horizon Run							0	\$0
Heron's Cove							0	\$0
Normandie on the Lake I							0	\$0
Thomas Choice							0	\$0
Thomas Choice Gardens							0	\$0
Normandie on the Lake II							0	\$0
Park Place and Villas							0	\$0
Total Condo							120	\$1,920
Apartments								
Breckenridge Apartments							178	\$1,424
Cider Mill							0	\$0
Sunrise - Village House							147	\$4,704
Walker House							0	
Gables Rothbury								
Total Apts							147	\$6,128
Total Condo & Apts Units \$							267	\$8,048
Total Condo & Apts Units %	0.00%	0.00%	0.00%	2.00%	2.10%	0.20%	13.80%	1.55%

COLLECTION POLICY OF MONTGOMERY VILLAGE FOUNDATION, INC. FOR HOMES CORPORATIONS

Purpose: This policy will be followed when collecting all debts owed to the Montgomery Village Foundation, including but not limited to assessments, architectural review fees, and returned checks.

Due Dates: Homeowners may choose to pay their assessment either annually or quarterly (four times per year).

- An annual assessment payment is due in full on January 1 of each year. If payment in full is not received by the last day of January, the homeowner's account will be established on a quarterly payment plan.
- Installments for quarterly assessment payments are due on the first day of January, April, July, and October.

Assessment rate notices are mailed to property owners in November of each year. Payment coupons are mailed to property owners each December. Property owners who do not receive coupons via regular mail by December 31 should call MVF at 301-948-0110 to request replacement coupons. ***Failure to receive a coupon booklet does not relieve a homeowner of the obligation to pay the required assessment when due.***

Methods of Payment:

- **Cash** payments must be made at the MVF office, 10120 Apple Ridge Road. Office hours are Monday through Friday, 8:30AM -5:00PM.
- **Checks** payable to MVF can be brought to the MVF office during regular business hours, dropped in the drop box located in the parking lot of the MVF office, or mailed to PO Box 17077, BALTIMORE, MD 21297-1077. Checks **MUST** be mailed early enough to arrive on or before the due date. Checks returned for any reason are subject to a \$35 returned check fee.
- **VISA or MasterCard** payments may be made at the Apple Ridge Road MVF office or by telephone to the MVF office, 301-948-0110. A credit card processing fee will apply.
- **ACH transfer** will be automatically processed after the authorization is reviewed and accepted by the MVF office.
- **Only** cash, certified check, or money orders will be accepted as payment for a returned check.

Payments that are being made on an account that is in bankruptcy, under judgment, or to stop or satisfy a lawsuit, must be made at the MVF office.

Delinquent Accounts, Administrative Costs, and Collection Fees:

Any assessment that has not been paid by the last day of the first month of the quarter is considered delinquent. Reminder notices will be sent to property owners during the first week of the second month of the quarter. A \$25.00 administrative fee will be applied to any account that remains unpaid on the last day of the first month of the quarter (Jan. 31, Apr. 30, July. 31 & Oct. 31). This administrative fee is assessed to defray the expenses associated with collection.

Acceleration: If the quarterly payment is not received by the last day of the quarter (March, June, September, December); hereinafter called the "acceleration date", the entire balance of the annual assessment becomes due and payable immediately.

Interest on Delinquent Accounts: Interest will accrue at a rate of 6% per annum on the delinquent account.

Additional Notices:

- **Coupons** – mailed each December.
- **Reminder Notices** – Will be sent to homeowners whose quarterly payments are delinquent at the end of the first month of a quarter.
- **Delinquent Letter** – Will be sent to homeowners whose quarterly payments are unpaid at the end of the second month of a quarter. This notice will inform the homeowner that:
 - Interest at 6% per annum is being applied to the delinquent account.
 - If the account remains delinquent on the first day of the following quarter, MVF will seek judgment by filing a lawsuit in General District Court.
 - If a lawsuit is filed the entire annual assessment becomes due and payable.

Failure to receive any or all of these notices does not relieve a homeowner of the obligation to pay the required assessment.

Collection Fees: If a lawsuit or lien is filed, the homeowner will be assessed all of the actual costs of filing and/or recording documents and any other cost or legal fees which may be allowed by law including, but not limited to, the following:

Process Server	Actual cost of service
Preparation of Lawsuit	\$140.00
Preparation of Lien	\$125.00 plus actual costs
Court Costs	Actual cost of service

Costs, interest, and other charges levied by MVF or the Homes Corporations shall be posted to the homeowner's account and collected in the same manner as assessments and will appear on the delinquent letter that will be mailed to the homeowner.

Waivers: Requests to waive administrative costs **must** be made in writing to the Assessments and Collections Administrator and must state specific circumstances as to why a waiver should be considered.

Interest due on Judgments: From the date MVF receives a judgment against a homeowner for unpaid assessments, the judgment amount shall accrue interest at the rate permitted by statute until the date the judgment is paid in full.

Other Charges: If a check, ACH transfer or credit card charge is refused, returned for insufficient funds or payment is stopped, a \$35.00 charge will be assessed to the homeowner's account. Requests to waive this charge will only be considered upon presentation of a letter on bank stationery acknowledging bank error.

Communications: Any communication concerning disputed debts, including checks or money orders tendered, must be sent to MVF, 10120 Apple Ridge Road, Montgomery Village, MD 20886-1000.

Assessments are payments for goods and services provided by the Foundation/Homes Corporation and are not deductible as a charitable contribution. These assessments may be deductible as an ordinary and necessary business expense. Please consult your tax advisor.

Approved by MVF Board of Directors – May 23, 2002.

Revised and Approved by MVF Board of Directors – October 23, 2003

Revised and Approved by MVF Board of Directors – October 28, 2004

Revised and Approved by MVF Board of Directors – March 24, 2005

Revised and Approved by MVF Board of Directors – September 27, 2007