



Collection Policy Comparison

The Dobson Ranch Collection Policy is part of a larger document that contains all of Dobson Ranch's policies. Section 2.2 of this document (10/27/22), located on the Dobson Ranch website, addresses the Assessments and Collection Policy and describes the actions The Dobson Association Inc. will pursue if a homeowner has become late on paying their assessments. This policy is not intended to punish homeowners but to be fair to all homeowners who pay their assessments on time.

The Revised Dobson Ranch Collection Policy and the previous Dobson Ranch Collection Process both aim to manage the collection of delinquent homeowner association fees, but the Revised Dobson Ranch Collection Policy introduces additional steps that benefit homeowners by providing more opportunities to resolve their delinquency before reaching the pre-foreclosure stage. Here's a comparison highlighting how the Revised Dobson Ranch Collection Policy offers more chances for resolution:

1. Legal and Pre-Foreclosure Steps:

- The Revised Dobson Ranch Collection Policy includes several pre-foreclosure steps designed to help homeowners resolve their debt before extreme measures are taken. The policy outlines a structured process that includes small claims court filings, skip tracing (to locate homeowners who cannot be reached), and payment plan negotiations. These steps are designed to encourage resolution well before foreclosure becomes an option.
 - After filing a small claim, if the owner cannot be located, skip tracing is used to attempt to find them, giving them another chance to resolve their debt. Only if this fails is the case dismissed and sent to an attorney.
 - Even when legal action is initiated, the attorney is required to send a demand letter before proceeding with foreclosure, giving the homeowner a final opportunity to settle the debt or enter into a payment plan. This provides a structured but flexible approach to avoid foreclosure, which is ultimately beneficial to homeowners.
- In contrast, the previous Dobson Ranch policy provided fewer pre-foreclosure steps. While it did allow for communication through notices and reminders, there were fewer formal processes for homeowners to engage in before legal action is considered. The process is more straightforward, but also offered fewer opportunities for resolution before more serious steps like liens and foreclosures were initiated.

2. Compliance with Legislation:

- The Revised Dobson Ranch Collection Policy integrates additional steps to ensure that homeowners are treated fairly under the law. For example, the detailed handling of bankruptcy cases ensures that homeowners who may be struggling financially are given the chance to navigate their legal rights before facing foreclosure. Chapter 7 and Chapter 13 bankruptcies are treated carefully, with accounts being placed on hold, monitored, and only sent to the attorney if the homeowner fails to meet post-petition obligations.
 - This approach not only complies with updated legislation but also gives homeowners more breathing room to organize their finances and potentially avoid foreclosure.
- The previous Dobson Ranch policy followed previous state law, but required an update regardless to meet the legal requirements imposed by recent updates to A.R.S. §33-1256(A) & A.R.S. §33-1807(A). It also offered fewer specific legal compliance steps, particularly around bankruptcies. While this keeps the process simpler, it may not give homeowners the same level of protection or opportunity to resolve their delinquency before facing legal consequences.

3. Payment Plans:

- The Revised Dobson Ranch Collection Policy gives homeowners the opportunity to enter into a structured payment plan that allows them to pay off their debt over 6 to 12 months, which is a relatively short period but ensures a clear path to resolution. If a homeowner cannot meet this timeline, the Board can review and potentially approve a longer payment plan. Importantly, if the homeowner adheres to the plan, foreclosure is avoided.
 - The policy also allows the attorney to negotiate payment plans with homeowners, giving them multiple avenues to resolve their debt without escalating to foreclosure. If the homeowner breaches the plan, only then does the foreclosure process move forward.
- The previous Dobson Ranch policy, on the other hand, offered longer payment plans of up to 36 months, which can be more flexible. However, it lacked the detailed steps for early resolution that the revised policy offers. While this extended timeline can be helpful, it doesn't provide the same structured opportunities for homeowners to negotiate and resolve issues before more aggressive collection measures, such as liens and foreclosure, are pursued.

4. Delinquency and Late Fees:

- The Revised Dobson Ranch Collection Policy establishes a step-by-step process for handling delinquent accounts, including late fees, demand letters, and ultimately small claims court filings. This clear escalation path provides homeowners with several stages where they can resolve their debt before the situation worsens. For example, by the time an account is 90 days delinquent, the homeowner is notified of a lien, but they still have time to make arrangements before legal action escalates further.

- The previous Dobson Ranch policy also imposed late fees, but its collection process was less formalized. While reminders and pre-lien notices were sent, there are fewer intermediary steps for homeowners to resolve their debt. This lack of structure may leave homeowners feeling uncertain about their options for resolution, and they may not have the same number of chances to avoid legal action.

5. Opportunities for Resolution:

- One of the standout features of the Revised Dobson Ranch Collection Policy is the multiple opportunities it gives homeowners to settle their accounts before foreclosure. From the initial late fee notification, through small claims court, and during the negotiation of payment plans, there are numerous points where the homeowner can take action to resolve their debt. Even once the attorney is involved, payment plans can still be arranged, and the attorney is authorized to negotiate terms that avoid foreclosure.
 - Additionally, the requirement for monthly status reports ensures that the process remains transparent, and homeowners are always aware of their status and next steps.
- The previous Dobson Ranch policy offered fewer structured opportunities for resolution. The process was simpler, but this simplicity may not work in favor of the homeowner, as there are fewer checkpoints where they can work to avoid more serious collection actions like liens or foreclosure.

Conclusion:

The Revised Dobson Ranch Collection Policy is designed with additional steps that ultimately benefit the homeowner by providing multiple opportunities for resolution before the account reaches the pre-foreclosure stage. These structured steps, including skip tracing, small claims filings, demand letters, and payment plan negotiations, ensure that homeowners have ample chances to settle their debt without facing foreclosure.

In contrast, while the Dobson Ranch Collection Process was simpler and offered longer payment plans, but it provided fewer formal opportunities for resolution before legal actions like liens and foreclosure were pursued. The Revised Dobson Ranch Collection Policy, with its emphasis on compliance and resolution, offers more protection to homeowners by ensuring that foreclosure is truly a last resort. It also meets legal requirements imposed by recent updates to A.R.S. §33-1256(A) & A.R.S. §33-1807(A).