

HB 1636 - H AMD 32

By Representative Orwall

ADOPTED 03/08/2023

1 Strike everything after the enacting clause and insert the
2 following:

3 **"Sec. 1.** RCW 64.32.200 and 2021 c 222 s 3 are each amended to
4 read as follows:

5 (1) The declaration may provide for the collection of all sums
6 assessed by the association of apartment owners for the share of the
7 common expenses chargeable to any apartment and the collection may be
8 enforced in any manner provided in the declaration including, but not
9 limited to, (a) (~~ten~~) 10 days notice shall be given the delinquent
10 apartment owner to the effect that unless such assessment is paid
11 within (~~ten~~) 10 days any or all utility services will be forthwith
12 severed and shall remain severed until such assessment is paid, or
13 (b) collection of such assessment may be made by such lawful method
14 of enforcement, judicial or extra-judicial, as may be provided in the
15 declaration and/or bylaws.

16 (2) All sums assessed by the association of apartment owners but
17 unpaid for the share of the common expenses chargeable to any
18 apartment shall constitute a lien on such apartment prior to all
19 other liens except only (a) tax liens on the apartment in favor of
20 any assessing unit and/or special district, and (b) all sums unpaid
21 on all mortgages of record. Such lien is not subject to the ban
22 against execution or forced sales of homesteads under RCW 6.13.080
23 and, subject to the provisions in subsection (~~(4)~~) (5) of this
24 section, may be foreclosed by suit by the manager or board of
25 directors, acting on behalf of the apartment owners, in like manner
26 as a mortgage of real property. In any such foreclosure the apartment
27 owner shall be required to pay a reasonable rental for the apartment,
28 if so provided in the bylaws, and the plaintiff in such foreclosures
29 shall be entitled to the appointment of a receiver to collect the
30 same. The manager or board of directors, acting on behalf of the
31 apartment owners, shall have power, unless prohibited by the
32 declaration, to bid on the apartment at foreclosure sale, and to

1 acquire and hold, lease, mortgage, and convey the same. Upon an
2 express waiver in the complaint of any right to a deficiency
3 judgment, the period of redemption shall be eight months after the
4 sale. Suit to recover any judgment for any unpaid common expenses
5 shall be maintainable without foreclosing or waiving the liens
6 securing the same.

7 (3) Where the mortgagee of a mortgage of record or other
8 purchaser of an apartment obtains possession of the apartment as a
9 result of foreclosure of the mortgage, such possessor, his or her
10 successors and assigns shall not be liable for the share of the
11 common expenses or assessments by the association of apartment owners
12 chargeable to such apartment which became due prior to such
13 possession. Such unpaid share of common expenses of assessments shall
14 be deemed to be common expenses collectible from all of the apartment
15 owners including such possessor, his or her successors and assigns.

16 (4) (a) When the association, or the manager or board of directors
17 on its behalf, mails to the apartment owner by first-class mail the
18 first notice of delinquency for past due assessments to the apartment
19 address and to any other address that the owner has provided to the
20 association, the association shall include a first preforeclosure
21 notice that states as follows:

22 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**
23 **FROM THE APARTMENT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.**
24 **THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING**
25 **YOUR HOME.**
26 **CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW**
27 **to assess your situation and refer you to mediation if you might**
28 **benefit. DO NOT DELAY.**
29 **BE CAREFUL** of people who claim they can help you. There are many
30 **individuals and businesses that prey upon borrowers in distress.**
31 **REFER TO THE CONTACTS BELOW** for sources of assistance.

32 **SEEKING ASSISTANCE**

33 Housing counselors and legal assistance may be available at
34 little or no cost to you. If you would like assistance in determining
35 your rights and opportunities to keep your house, you may contact the
36 following:

37 The statewide foreclosure hotline for assistance and referral to
38 housing counselors recommended by the Housing Finance Commission

39 Telephone: Website:

1 The United States Department of Housing and Urban Development

2 Telephone: Website:

3 The statewide civil legal aid hotline for assistance and
4 referrals to other housing counselors and attorneys

5 Telephone: Website:

6 The association shall obtain the toll-free numbers and website
7 information from the department of commerce for inclusion in the
8 notice.

9 (b) If, when a delinquent account is referred to an association's
10 attorney, the first preforeclosure notice required under (a) of this
11 subsection has not yet been mailed to the apartment owner, the
12 association or the association's attorney shall mail the first
13 preforeclosure notice to the apartment owner in order to satisfy the
14 requirement in (a) of this subsection.

15 (c) Mailing the first preforeclosure notice pursuant to (a) of
16 this subsection does not satisfy the requirement in subsection (5)(b)
17 of this section to mail a second preforeclosure notice at or after
18 the date that assessments have become past due for at least 90 days.
19 The second preforeclosure notice may not be mailed sooner than 60
20 days after the first preforeclosure notice is mailed.

21 (5) An association, or the manager or board of directors on its
22 behalf, may not commence an action to foreclose a lien on an
23 apartment under this section unless:

24 (a) The apartment owner, at the time the action is commenced,
25 owes at least a sum equal to the greater of:

26 (i) Three months or more of assessments, not including fines,
27 late charges, interest, attorneys' fees, or costs incurred by the
28 association in connection with the collection of a delinquent owner's
29 account; or

30 (ii) \$200 of assessments, not including fines, late charges,
31 interest, attorneys' fees, or costs incurred by the association in
32 connection with the collection of a delinquent owner's account;

33 (b) At or after the date that assessments have become past due
34 for at least 90 days, but no sooner than 60 days after the first
35 preforeclosure notice required in subsection (4)(a) of this section
36 is mailed, the association has mailed, by first-class mail, to the
37 owner, at the apartment address and to any other address which the
38 owner has provided to the association, a second notice of
39 delinquency, which (~~shall state as follows:~~

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The association shall obtain the toll-free numbers and website
information from the department of commerce for inclusion in the
notice)) must include a second preforeclosure notice that contains
the same information as the first preforeclosure notice provided to
the apartment owner pursuant to subsection (4)(a) of this section.
The second preforeclosure notice may not be mailed sooner than 60
days after the first preforeclosure notice required in subsection
(4)(a) of this section is mailed;

(c) At least 180 days have elapsed from the date the minimum
amount required in (a) of this subsection has accrued; and

(d) The board approves commencement of a foreclosure action
specifically against that apartment.

~~((5))~~ (6) Every aspect of a collection, foreclosure, sale, or
other conveyance under this section, including the method,
advertising, time, date, place, and terms, must be commercially
reasonable.

1 **Sec. 2.** RCW 64.32.200 and 2021 c 222 s 4 are each amended to
2 read as follows:

3 (1) The declaration may provide for the collection of all sums
4 assessed by the association of apartment owners for the share of the
5 common expenses chargeable to any apartment and the collection may be
6 enforced in any manner provided in the declaration including, but not
7 limited to, (a) (~~ten~~) 10 days notice shall be given the delinquent
8 apartment owner to the effect that unless such assessment is paid
9 within (~~ten~~) 10 days any or all utility services will be forthwith
10 severed and shall remain severed until such assessment is paid, or
11 (b) collection of such assessment may be made by such lawful method
12 of enforcement, judicial or extra-judicial, as may be provided in the
13 declaration and/or bylaws.

14 (2) All sums assessed by the association of apartment owners but
15 unpaid for the share of the common expenses chargeable to any
16 apartment shall constitute a lien on such apartment prior to all
17 other liens except only (a) tax liens on the apartment in favor of
18 any assessing unit and/or special district, and (b) all sums unpaid
19 on all mortgages of record. Such lien is not subject to the ban
20 against execution or forced sales of homesteads under RCW 6.13.080
21 and, subject to the provisions in subsection (~~(4)~~) (5) of this
22 section, may be foreclosed by suit by the manager or board of
23 directors, acting on behalf of the apartment owners, in like manner
24 as a mortgage of real property. In any such foreclosure the apartment
25 owner shall be required to pay a reasonable rental for the apartment,
26 if so provided in the bylaws, and the plaintiff in such foreclosures
27 shall be entitled to the appointment of a receiver to collect the
28 same. The manager or board of directors, acting on behalf of the
29 apartment owners, shall have power, unless prohibited by the
30 declaration, to bid on the apartment at foreclosure sale, and to
31 acquire and hold, lease, mortgage, and convey the same. Upon an
32 express waiver in the complaint of any right to a deficiency
33 judgment, the period of redemption shall be eight months after the
34 sale. Suit to recover any judgment for any unpaid common expenses
35 shall be maintainable without foreclosing or waiving the liens
36 securing the same.

37 (3) Where the mortgagee of a mortgage of record or other
38 purchaser of an apartment obtains possession of the apartment as a
39 result of foreclosure of the mortgage, such possessor, his or her
40 successors and assigns shall not be liable for the share of the

1 common expenses or assessments by the association of apartment owners
2 chargeable to such apartment which became due prior to such
3 possession. Such unpaid share of common expenses of assessments shall
4 be deemed to be common expenses collectible from all of the apartment
5 owners including such possessor, his or her successors and assigns.

6 (4) (a) When the association, or the manager or board of directors
7 on its behalf, mails to the apartment owner by first-class mail the
8 first notice of delinquency for past due assessments to the apartment
9 address and to any other address that the owner has provided to the
10 association, the association shall include a first preforeclosure
11 notice that states as follows:

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15 **YOUR HOME.**

16 **CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW**
17 to assess your situation and refer you to mediation if you might
18 benefit. DO NOT DELAY.

19 **BE CAREFUL** of people who claim they can help you. There are many
20 individuals and businesses that prey upon borrowers in distress.
21 **REFER TO THE CONTACTS BELOW** for sources of assistance.

22 **SEEKING ASSISTANCE**

23 Housing counselors and legal assistance may be available at
24 little or no cost to you. If you would like assistance in determining
25 your rights and opportunities to keep your house, you may contact the
26 following:

27 The statewide foreclosure hotline for assistance and referral to
28 housing counselors recommended by the Housing Finance Commission

29 Telephone: Website:

30 The United States Department of Housing and Urban Development

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32 The statewide civil legal aid hotline for assistance and
33 referrals to other housing counselors and attorneys

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35 The association shall obtain the toll-free numbers and website
36 information from the department of commerce for inclusion in the
37 notice.

38 (b) If, when a delinquent account is referred to an association's
39 attorney, the first preforeclosure notice required under (a) of this

1 subsection has not yet been mailed to the apartment owner, the
2 association or the association's attorney shall mail the first
3 preforeclosure notice to the apartment owner in order to satisfy the
4 requirement in (a) of this subsection.

5 (c) Mailing the first preforeclosure notice pursuant to (a) of
6 this subsection does not satisfy the requirement in subsection (5)(b)
7 of this section to mail a second preforeclosure notice at or after
8 the date that assessments have become past due for at least 90 days.
9 The second preforeclosure notice may not be mailed sooner than 60
10 days after the first preforeclosure notice is mailed.

11 (5) An association, or the manager or board of directors on its
12 behalf, may not commence an action to foreclose a lien on an
13 apartment under this section unless:

14 (a) The apartment owner, at the time the action is commenced,
15 owes at least a sum equal to the greater of:

16 (i) Three months or more of assessments, not including fines,
17 late charges, interest, attorneys' fees, or costs incurred by the
18 association in connection with the collection of a delinquent owner's
19 account; or

20 (ii) \$200 of assessments, not including fines, late charges,
21 interest, attorneys' fees, or costs incurred by the association in
22 connection with the collection of a delinquent owner's account;

23 (b) At or after the date that assessments have become past due
24 for at least 90 days, but no sooner than 60 days after the first
25 preforeclosure notice required in subsection (4)(a) of this section
26 is mailed, the association has mailed, by first-class mail, to the
27 owner, at the apartment address and to any other address which the
28 owner has provided to the association, a second notice of
29 delinquency, which ((shall state as follows:

30 ~~**THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**~~

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36 ~~benefit. **DO NOT DELAY.**~~

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38 ~~individuals and businesses that prey upon borrowers in distress.~~

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~~The association shall obtain the toll-free numbers and website information from the department of commerce for inclusion in the notice)) must include a second preforeclosure notice that contains the same information as the first preforeclosure notice provided to the apartment owner pursuant to subsection (4)(a) of this section. The second preforeclosure notice may not be mailed sooner than 60 days after the first preforeclosure notice required in subsection (4)(a) of this section is mailed;~~

(c) At least 90 days have elapsed from the date the minimum amount required in (a) of this subsection has accrued; and

(d) The board approves commencement of a foreclosure action specifically against that apartment.

~~((5))~~ (6) Every aspect of a collection, foreclosure, sale, or other conveyance under this section, including the method, advertising, time, date, place, and terms, must be commercially reasonable.

Sec. 3. RCW 64.34.364 and 2021 c 222 s 5 are each amended to read as follows:

(1) The association has a lien on a unit for any unpaid assessments levied against a unit from the time the assessment is due.

(2) A lien under this section shall be prior to all other liens and encumbrances on a unit except: (a) Liens and encumbrances recorded before the recording of the declaration; (b) a mortgage on the unit recorded before the date on which the assessment sought to

1 be enforced became delinquent; and (c) liens for real property taxes
2 and other governmental assessments or charges against the unit. A
3 lien under this section is not subject to the provisions of chapter
4 6.13 RCW.

5 (3) Except as provided in subsections (4) and (5) of this
6 section, the lien shall also be prior to the mortgages described in
7 subsection (2)(b) of this section to the extent of assessments for
8 common expenses, excluding any amounts for capital improvements,
9 based on the periodic budget adopted by the association pursuant to
10 RCW 64.34.360(1) which would have become due during the six months
11 immediately preceding the date of a sheriff's sale in an action for
12 judicial foreclosure by either the association or a mortgagee, the
13 date of a trustee's sale in a nonjudicial foreclosure by a mortgagee,
14 or the date of recording of the declaration of forfeiture in a
15 proceeding by the vendor under a real estate contract.

16 (4) The priority of the association's lien against units
17 encumbered by a mortgage held by an eligible mortgagee or by a
18 mortgagee which has given the association a written request for a
19 notice of delinquent assessments shall be reduced by up to three
20 months if and to the extent that the lien priority under subsection
21 (3) of this section includes delinquencies which relate to a period
22 after such holder becomes an eligible mortgagee or has given such
23 notice and before the association gives the holder a written notice
24 of the delinquency. This subsection does not affect the priority of
25 mechanics' or material suppliers' liens, or the priority of liens for
26 other assessments made by the association.

27 (5) If the association forecloses its lien under this section
28 nonjudicially pursuant to chapter 61.24 RCW, as provided by
29 subsection (9) of this section, the association shall not be entitled
30 to the lien priority provided for under subsection (3) of this
31 section.

32 (6) Unless the declaration otherwise provides, if two or more
33 associations have liens for assessments created at any time on the
34 same real estate, those liens have equal priority.

35 (7) Recording of the declaration constitutes record notice and
36 perfection of the lien for assessments. While no further recording of
37 any claim of lien for assessment under this section shall be required
38 to perfect the association's lien, the association may record a
39 notice of claim of lien for assessments under this section in the
40 real property records of any county in which the condominium is

1 located. Such recording shall not constitute the written notice of
2 delinquency to a mortgagee referred to in subsection (2) of this
3 section.

4 (8) A lien for unpaid assessments and the personal liability for
5 payment of assessments is extinguished unless proceedings to enforce
6 the lien or collect the debt are instituted within three years after
7 the amount of the assessments sought to be recovered becomes due.

8 (9) The lien arising under this section may be enforced
9 judicially by the association or its authorized representative in the
10 manner set forth in chapter 61.12 RCW. The lien arising under this
11 section may be enforced nonjudicially in the manner set forth in
12 chapter 61.24 RCW for nonjudicial foreclosure of deeds of trust if
13 the declaration (a) contains a grant of the condominium in trust to a
14 trustee qualified under RCW 61.24.010 to secure the obligations of
15 the unit owners to the association for the payment of assessments,
16 (b) contains a power of sale, (c) provides in its terms that the
17 units are not used principally for agricultural or farming purposes,
18 and (d) provides that the power of sale is operative in the case of a
19 default in the obligation to pay assessments. The association or its
20 authorized representative shall have the power, unless prohibited by
21 the declaration, to purchase the unit at the foreclosure sale and to
22 acquire, hold, lease, mortgage, or convey the same. Upon an express
23 waiver in the complaint of any right to a deficiency judgment in a
24 judicial foreclosure action, the period of redemption shall be eight
25 months. Nothing in this section shall prohibit an association from
26 taking a deed in lieu of foreclosure.

27 (10) From the time of commencement of an action by the
28 association to foreclose a lien for nonpayment of delinquent
29 assessments against a unit that is not occupied by the owner thereof,
30 the association shall be entitled to the appointment of a receiver to
31 collect from the lessee thereof the rent for the unit as and when
32 due. If the rental is not paid, the receiver may obtain possession of
33 the unit, refurbish it for rental up to a reasonable standard for
34 rental units in this type of condominium, rent the unit or permit its
35 rental to others, and apply the rents first to the cost of the
36 receivership and attorneys' fees thereof, then to the cost of
37 refurbishing the unit, then to applicable charges, then to costs,
38 fees, and charges of the foreclosure action, and then to the payment
39 of the delinquent assessments. Only a receiver may take possession
40 and collect rents under this subsection, and a receiver shall not be

1 appointed less than (~~ninety~~) 90 days after the delinquency. The
2 exercise by the association of the foregoing rights shall not affect
3 the priority of preexisting liens on the unit.

4 (11) Except as provided in subsection (3) of this section, the
5 holder of a mortgage or other purchaser of a unit who obtains the
6 right of possession of the unit through foreclosure shall not be
7 liable for assessments or installments thereof that became due prior
8 to such right of possession. Such unpaid assessments shall be deemed
9 to be common expenses collectible from all the unit owners, including
10 such mortgagee or other purchaser of the unit. Foreclosure of a
11 mortgage does not relieve the prior owner of personal liability for
12 assessments accruing against the unit prior to the date of such sale
13 as provided in this subsection.

14 (12) In addition to constituting a lien on the unit, each
15 assessment shall be the joint and several obligation of the owner or
16 owners of the unit to which the same are assessed as of the time the
17 assessment is due. In a voluntary conveyance, the grantee of a unit
18 shall be jointly and severally liable with the grantor for all unpaid
19 assessments against the grantor up to the time of the grantor's
20 conveyance, without prejudice to the grantee's right to recover from
21 the grantor the amounts paid by the grantee therefor. Suit to recover
22 a personal judgment for any delinquent assessment shall be
23 maintainable in any court of competent jurisdiction without
24 foreclosing or waiving the lien securing such sums.

25 (13) The association may from time to time establish reasonable
26 late charges and a rate of interest to be charged on all subsequent
27 delinquent assessments or installments thereof. In the absence of
28 another established nonusurious rate, delinquent assessments shall
29 bear interest from the date of delinquency at the maximum rate
30 permitted under RCW 19.52.020 on the date on which the assessments
31 became delinquent.

32 (14) The association shall be entitled to recover any costs and
33 reasonable attorneys' fees incurred in connection with the collection
34 of delinquent assessments, whether or not such collection activities
35 result in suit being commenced or prosecuted to judgment. In
36 addition, the association shall be entitled to recover costs and
37 reasonable attorneys' fees if it prevails on appeal and in the
38 enforcement of a judgment.

39 (15) The association upon written request shall furnish to a unit
40 owner or a mortgagee a statement signed by an officer or authorized

1 agent of the association setting forth the amount of unpaid
2 assessments against that unit. The statement shall be furnished
3 within fifteen days after receipt of the request and is binding on
4 the association, the board of directors, and every unit owner, unless
5 and to the extent known by the recipient to be false.

6 (16) To the extent not inconsistent with this section, the
7 declaration may provide for such additional remedies for collection
8 of assessments as may be permitted by law.

9 (17)(a) When the association mails to the unit owner by first-
10 class mail the first notice of delinquency for past due assessments
11 to the unit address and to any other address that the owner has
12 provided to the association, the association shall include a first
13 preforeclosure notice that states as follows:

14 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**
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17 **YOUR HOME.**
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19 to assess your situation and refer you to mediation if you might
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22 individuals and businesses that prey upon borrowers in distress.
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35 referrals to other housing counselors and attorneys

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37 The association shall obtain the toll-free numbers and website
38 information from the department of commerce for inclusion in the
39 notice.

1 (b) If, when a delinquent account is referred to an association's
2 attorney, the first preforeclosure notice required under (a) of this
3 subsection has not yet been mailed to the unit owner, the association
4 or the association's attorney shall mail the first preforeclosure
5 notice to the unit owner in order to satisfy the requirement in (a)
6 of this subsection.

7 (c) Mailing the first preforeclosure notice pursuant to (a) of
8 this subsection does not satisfy the requirement in subsection
9 (18)(b) of this section to mail a second preforeclosure notice at or
10 after the date that assessments have become past due for at least 90
11 days. The second preforeclosure notice may not be mailed sooner than
12 60 days after the first preforeclosure notice is mailed.

13 (18) An association may not commence an action to foreclose a
14 lien on a unit under this section unless:

15 (a) The unit owner, at the time the action is commenced, owes at
16 least a sum equal to the greater of:

17 (i) Three months or more of assessments, not including fines,
18 late charges, interest, attorneys' fees, or costs incurred by the
19 association in connection with the collection of a delinquent owner's
20 account; or

21 (ii) \$200 of assessments, not including fines, late charges,
22 interest, attorneys' fees, or costs incurred by the association in
23 connection with the collection of a delinquent owner's account;

24 (b) At or after the date that assessments have become past due
25 for at least 90 days, but no sooner than 60 days after the first
26 preforeclosure notice required in subsection (17)(a) of this section
27 is mailed, the association has mailed, by first-class mail, to the
28 owner, at the unit address and to any other address which the owner
29 has provided to the association, a second notice of delinquency,
30 which (~~shall state as follows:~~

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17 notice)) must include a second preforeclosure notice that contains
18 the same information as the first preforeclosure notice provided to
19 the unit owner pursuant to subsection (17)(a) of this section. The
20 second preforeclosure notice may not be mailed sooner than 60 days
21 after the first preforeclosure notice required in subsection (17)(a)
22 of this section is mailed;

23 (c) At least 180 days have elapsed from the date the minimum
24 amount required in (a) of this subsection has accrued; and

25 (d) The board approves commencement of a foreclosure action
26 specifically against that unit.

27 ((18)) (19) Every aspect of a collection, foreclosure, sale, or
28 other conveyance under this section, including the method,
29 advertising, time, date, place, and terms, must be commercially
30 reasonable.

31 **Sec. 4.** RCW 64.34.364 and 2021 c 222 s 6 are each amended to
32 read as follows:

33 (1) The association has a lien on a unit for any unpaid
34 assessments levied against a unit from the time the assessment is
35 due.

36 (2) A lien under this section shall be prior to all other liens
37 and encumbrances on a unit except: (a) Liens and encumbrances
38 recorded before the recording of the declaration; (b) a mortgage on

1 the unit recorded before the date on which the assessment sought to
2 be enforced became delinquent; and (c) liens for real property taxes
3 and other governmental assessments or charges against the unit. A
4 lien under this section is not subject to the provisions of chapter
5 6.13 RCW.

6 (3) Except as provided in subsections (4) and (5) of this
7 section, the lien shall also be prior to the mortgages described in
8 subsection (2)(b) of this section to the extent of assessments for
9 common expenses, excluding any amounts for capital improvements,
10 based on the periodic budget adopted by the association pursuant to
11 RCW 64.34.360(1) which would have become due during the six months
12 immediately preceding the date of a sheriff's sale in an action for
13 judicial foreclosure by either the association or a mortgagee, the
14 date of a trustee's sale in a nonjudicial foreclosure by a mortgagee,
15 or the date of recording of the declaration of forfeiture in a
16 proceeding by the vendor under a real estate contract.

17 (4) The priority of the association's lien against units
18 encumbered by a mortgage held by an eligible mortgagee or by a
19 mortgagee which has given the association a written request for a
20 notice of delinquent assessments shall be reduced by up to three
21 months if and to the extent that the lien priority under subsection
22 (3) of this section includes delinquencies which relate to a period
23 after such holder becomes an eligible mortgagee or has given such
24 notice and before the association gives the holder a written notice
25 of the delinquency. This subsection does not affect the priority of
26 mechanics' or material suppliers' liens, or the priority of liens for
27 other assessments made by the association.

28 (5) If the association forecloses its lien under this section
29 nonjudicially pursuant to chapter 61.24 RCW, as provided by
30 subsection (9) of this section, the association shall not be entitled
31 to the lien priority provided for under subsection (3) of this
32 section.

33 (6) Unless the declaration otherwise provides, if two or more
34 associations have liens for assessments created at any time on the
35 same real estate, those liens have equal priority.

36 (7) Recording of the declaration constitutes record notice and
37 perfection of the lien for assessments. While no further recording of
38 any claim of lien for assessment under this section shall be required
39 to perfect the association's lien, the association may record a
40 notice of claim of lien for assessments under this section in the

1 real property records of any county in which the condominium is
2 located. Such recording shall not constitute the written notice of
3 delinquency to a mortgagee referred to in subsection (2) of this
4 section.

5 (8) A lien for unpaid assessments and the personal liability for
6 payment of assessments is extinguished unless proceedings to enforce
7 the lien or collect the debt are instituted within three years after
8 the amount of the assessments sought to be recovered becomes due.

9 (9) The lien arising under this section may be enforced
10 judicially by the association or its authorized representative in the
11 manner set forth in chapter 61.12 RCW. The lien arising under this
12 section may be enforced nonjudicially in the manner set forth in
13 chapter 61.24 RCW for nonjudicial foreclosure of deeds of trust if
14 the declaration (a) contains a grant of the condominium in trust to a
15 trustee qualified under RCW 61.24.010 to secure the obligations of
16 the unit owners to the association for the payment of assessments,
17 (b) contains a power of sale, (c) provides in its terms that the
18 units are not used principally for agricultural or farming purposes,
19 and (d) provides that the power of sale is operative in the case of a
20 default in the obligation to pay assessments. The association or its
21 authorized representative shall have the power, unless prohibited by
22 the declaration, to purchase the unit at the foreclosure sale and to
23 acquire, hold, lease, mortgage, or convey the same. Upon an express
24 waiver in the complaint of any right to a deficiency judgment in a
25 judicial foreclosure action, the period of redemption shall be eight
26 months. Nothing in this section shall prohibit an association from
27 taking a deed in lieu of foreclosure.

28 (10) From the time of commencement of an action by the
29 association to foreclose a lien for nonpayment of delinquent
30 assessments against a unit that is not occupied by the owner thereof,
31 the association shall be entitled to the appointment of a receiver to
32 collect from the lessee thereof the rent for the unit as and when
33 due. If the rental is not paid, the receiver may obtain possession of
34 the unit, refurbish it for rental up to a reasonable standard for
35 rental units in this type of condominium, rent the unit or permit its
36 rental to others, and apply the rents first to the cost of the
37 receivership and attorneys' fees thereof, then to the cost of
38 refurbishing the unit, then to applicable charges, then to costs,
39 fees, and charges of the foreclosure action, and then to the payment
40 of the delinquent assessments. Only a receiver may take possession

1 and collect rents under this subsection, and a receiver shall not be
2 appointed less than (~~ninety~~) 90 days after the delinquency. The
3 exercise by the association of the foregoing rights shall not affect
4 the priority of preexisting liens on the unit.

5 (11) Except as provided in subsection (3) of this section, the
6 holder of a mortgage or other purchaser of a unit who obtains the
7 right of possession of the unit through foreclosure shall not be
8 liable for assessments or installments thereof that became due prior
9 to such right of possession. Such unpaid assessments shall be deemed
10 to be common expenses collectible from all the unit owners, including
11 such mortgagee or other purchaser of the unit. Foreclosure of a
12 mortgage does not relieve the prior owner of personal liability for
13 assessments accruing against the unit prior to the date of such sale
14 as provided in this subsection.

15 (12) In addition to constituting a lien on the unit, each
16 assessment shall be the joint and several obligation of the owner or
17 owners of the unit to which the same are assessed as of the time the
18 assessment is due. In a voluntary conveyance, the grantee of a unit
19 shall be jointly and severally liable with the grantor for all unpaid
20 assessments against the grantor up to the time of the grantor's
21 conveyance, without prejudice to the grantee's right to recover from
22 the grantor the amounts paid by the grantee therefor. Suit to recover
23 a personal judgment for any delinquent assessment shall be
24 maintainable in any court of competent jurisdiction without
25 foreclosing or waiving the lien securing such sums.

26 (13) The association may from time to time establish reasonable
27 late charges and a rate of interest to be charged on all subsequent
28 delinquent assessments or installments thereof. In the absence of
29 another established nonusurious rate, delinquent assessments shall
30 bear interest from the date of delinquency at the maximum rate
31 permitted under RCW 19.52.020 on the date on which the assessments
32 became delinquent.

33 (14) The association shall be entitled to recover any costs and
34 reasonable attorneys' fees incurred in connection with the collection
35 of delinquent assessments, whether or not such collection activities
36 result in suit being commenced or prosecuted to judgment. In
37 addition, the association shall be entitled to recover costs and
38 reasonable attorneys' fees if it prevails on appeal and in the
39 enforcement of a judgment.

1 (15) The association upon written request shall furnish to a unit
2 owner or a mortgagee a statement signed by an officer or authorized
3 agent of the association setting forth the amount of unpaid
4 assessments against that unit. The statement shall be furnished
5 within fifteen days after receipt of the request and is binding on
6 the association, the board of directors, and every unit owner, unless
7 and to the extent known by the recipient to be false.

8 (16) To the extent not inconsistent with this section, the
9 declaration may provide for such additional remedies for collection
10 of assessments as may be permitted by law.

11 (17)(a) When the association mails to the unit owner by first-
12 class mail the first notice of delinquency for past due assessments
13 to the unit address and to any other address that the owner has
14 provided to the association, the association shall include a first
15 preforeclosure notice that states as follows:

16 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**
17 **FROM THE UNIT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.**
18 **THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING**
19 **YOUR HOME.**
20 **CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW**
21 **to assess your situation and refer you to mediation if you might**
22 **benefit. DO NOT DELAY.**
23 **BE CAREFUL** of people who claim they can help you. There are many
24 individuals and businesses that prey upon borrowers in distress.
25 **REFER TO THE CONTACTS BELOW** for sources of assistance.

26 **SEEKING ASSISTANCE**

27 Housing counselors and legal assistance may be available at
28 little or no cost to you. If you would like assistance in determining
29 your rights and opportunities to keep your house, you may contact the
30 following:

31 The statewide foreclosure hotline for assistance and referral to
32 housing counselors recommended by the Housing Finance Commission

33 Telephone: Website:

34 The United States Department of Housing and Urban Development

35 Telephone: Website:

36 The statewide civil legal aid hotline for assistance and
37 referrals to other housing counselors and attorneys

38 Telephone: Website:

1 The association shall obtain the toll-free numbers and website
2 information from the department of commerce for inclusion in the
3 notice.

4 (b) If, when a delinquent account is referred to an association's
5 attorney, the first preforeclosure notice required under (a) of this
6 subsection has not yet been mailed to the unit owner, the association
7 or the association's attorney shall mail the first preforeclosure
8 notice to the unit owner in order to satisfy the requirement in (a)
9 of this subsection.

10 (c) Mailing the first preforeclosure notice pursuant to (a) of
11 this subsection does not satisfy the requirement in subsection
12 (18)(b) of this section to mail a second preforeclosure notice at or
13 after the date that assessments have become past due for at least 90
14 days. The second preforeclosure notice may not be mailed sooner than
15 60 days after the first preforeclosure notice is mailed.

16 (18) An association may not commence an action to foreclose a
17 lien on a unit under this section unless:

18 (a) The unit owner, at the time the action is commenced, owes at
19 least a sum equal to the greater of:

20 (i) Three months or more of assessments, not including fines,
21 late charges, interest, attorneys' fees, or costs incurred by the
22 association in connection with the collection of a delinquent owner's
23 account; or

24 (ii) \$200 of assessments, not including fines, late charges,
25 interest, attorneys' fees, or costs incurred by the association in
26 connection with the collection of a delinquent owner's account;

27 (b) At or after the date that assessments have become past due
28 for at least 90 days, but no sooner than 60 days after the first
29 preforeclosure notice required in subsection (17)(a) of this section
30 is mailed, the association has mailed, by first-class mail, to the
31 owner, at the unit address and to any other address which the owner
32 has provided to the association, a second notice of delinquency,
33 which ((shall state as follows:

34 ~~**THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**~~
35 ~~**FROM THE UNIT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.**~~
36 ~~**THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING**~~
37 ~~**YOUR HOME.**~~

1 ~~CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW~~
2 ~~to assess your situation and refer you to mediation if you might~~
3 ~~benefit. DO NOT DELAY.~~
4 ~~BE CAREFUL~~ of people who claim they can help you. There are many
5 individuals and businesses that prey upon borrowers in distress.
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13 housing counselors recommended by the Housing Finance Commission

14 Telephone: Website:

15 The United States Department of Housing and Urban Development

16 Telephone: Website:

17 The statewide civil legal aid hotline for assistance and
18 referrals to other housing counselors and attorneys

19 Telephone: Website:

20 The association shall obtain the toll-free numbers and website
21 information from the department of commerce for inclusion in the
22 notice)) must include a second preforeclosure notice that contains
23 the same information as the first preforeclosure notice provided to
24 the unit owner pursuant to subsection (17)(a) of this section. The
25 second preforeclosure notice may not be mailed sooner than 60 days
26 after the first preforeclosure notice required in subsection (17)(a)
27 of this section is mailed;

28 (c) At least 90 days have elapsed from the date the minimum
29 amount required in (a) of this subsection has accrued; and

30 (d) The board approves commencement of a foreclosure action
31 specifically against that unit.

32 ((18)) (19) Every aspect of a collection, foreclosure, sale, or
33 other conveyance under this section, including the method,
34 advertising, time, date, place, and terms, must be commercially
35 reasonable.

36 **Sec. 5.** RCW 64.38.100 and 2021 c 222 s 7 are each amended to
37 read as follows:

1 (1)(a) If the governing documents of an association provide for a
2 lien on the lot of any owner for unpaid assessments, the association
3 shall include the following first preforeclosure notice when mailing
4 to the lot owner by first-class mail the first notice of delinquency
5 to the lot address and to any other address that the owner has
6 provided to the association:

7 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**
8 **FROM THE HOMEOWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.**
9 **THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING**
10 **YOUR HOME.**

11 **CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW**
12 to assess your situation and refer you to mediation if you might
13 benefit. DO NOT DELAY.

14 **BE CAREFUL** of people who claim they can help you. There are many
15 individuals and businesses that prey upon borrowers in distress.
16 **REFER TO THE CONTACTS BELOW** for sources of assistance.

17 **SEEKING ASSISTANCE**

18 Housing counselors and legal assistance may be available at
19 little or no cost to you. If you would like assistance in determining
20 your rights and opportunities to keep your house, you may contact the
21 following:

22 The statewide foreclosure hotline for assistance and referral to
23 housing counselors recommended by the Housing Finance Commission

24 Telephone: Website:

25 The United States Department of Housing and Urban Development

26 Telephone: Website:

27 The statewide civil legal aid hotline for assistance and
28 referrals to other housing counselors and attorneys

29 Telephone: Website:

30 The association shall obtain the toll-free numbers and website
31 information from the department of commerce for inclusion in the
32 notice.

33 (b) If, when a delinquent account is referred to an association's
34 attorney, the first preforeclosure notice required under (a) of this
35 subsection has not yet been mailed to the lot owner, the association
36 or the association's attorney shall mail the first preforeclosure
37 notice to the lot owner in order to satisfy the requirement in (a) of
38 this subsection.

1 (c) Mailing the first preforeclosure notice pursuant to (a) of
2 this subsection does not satisfy the requirement in subsection (2)(b)
3 of this section to mail a second preforeclosure notice at or after
4 the date that assessments have become past due for at least 90 days.
5 The second preforeclosure notice may not be mailed sooner than 60
6 days after the first preforeclosure notice is mailed.

7 (2) If the governing documents of an association provide for a
8 lien on the lot of any owner for unpaid assessments, the association
9 may not commence an action to foreclose the lien unless:

10 (a) The lot owner, at the time the action is commenced, owes at
11 least a sum equal to the greater of:

12 (i) Three months or more of assessments, not including fines,
13 late charges, interest, attorneys' fees, or costs incurred by the
14 association in connection with the collection of a delinquent owner's
15 account; or

16 (ii) \$200 of assessments, not including fines, late charges,
17 interest, attorneys' fees, or costs incurred by the association in
18 connection with the collection of a delinquent owner's account;

19 (b) At or after the date that assessments have become past due
20 for at least 90 days, but no sooner than 60 days after the first
21 preforeclosure notice required in subsection (1)(a) of this section
22 is mailed, the association has mailed, by first-class mail, to the
23 owner, at the lot address and to any other address which the owner
24 has provided to the association, a second notice of delinquency,
25 which (~~shall state as follows:~~

26 ~~THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS~~
27 ~~FROM THE HOMEOWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.~~
28 ~~THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING~~
29 ~~YOUR HOME.~~
30 ~~CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW~~
31 ~~to assess your situation and refer you to mediation if you might~~
32 ~~benefit. DO NOT DELAY.~~

33 ~~BE CAREFUL~~ of people who claim they can help you. There are many
34 individuals and businesses that prey upon borrowers in distress.
35 ~~REFER TO THE CONTACTS BELOW~~ for sources of assistance.

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37 Housing counselors and legal assistance may be available at
38 little or no cost to you. If you would like assistance in determining

1 ~~your rights and opportunities to keep your house, you may contact the~~
2 ~~following:~~

3 ~~The statewide foreclosure hotline for assistance and referral to~~
4 ~~housing counselors recommended by the Housing Finance Commission~~

5 ~~Telephone: Website:~~

6 ~~The United States Department of Housing and Urban Development~~

7 ~~Telephone: Website:~~

8 ~~The statewide civil legal aid hotline for assistance and~~
9 ~~referrals to other housing counselors and attorneys~~

10 ~~Telephone: Website:~~

11 ~~The association shall obtain the toll-free numbers and website~~
12 ~~information from the department of commerce for inclusion in the~~
13 ~~notice)) must include a second preforeclosure notice that contains~~
14 ~~the same information as the first preforeclosure notice provided to~~
15 ~~the lot owner pursuant to subsection (1)(a) of this section. The~~
16 ~~second preforeclosure notice may not be mailed sooner than 60 days~~
17 ~~after the first preforeclosure notice required in subsection (1)(a)~~
18 ~~of this section is mailed;~~

19 (c) At least 180 days have elapsed from the date the minimum
20 amount required in (a) of this subsection has accrued; and

21 (d) The board approves commencement of a foreclosure action
22 specifically against that lot.

23 ~~((2))~~ (3) Every aspect of a collection, foreclosure, sale, or
24 other conveyance under this section, including the method,
25 advertising, time, date, place, and terms, must be commercially
26 reasonable.

27 **Sec. 6.** RCW 64.38.100 and 2021 c 222 s 8 are each amended to
28 read as follows:

29 (1)(a) If the governing documents of an association provide for a
30 lien on the lot of any owner for unpaid assessments, the association
31 shall include the following first preforeclosure notice when mailing
32 to the lot owner by first-class mail the first notice of delinquency
33 to the lot address and to any other address that the owner has
34 provided to the association:

35 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**
36 **FROM THE HOMEOWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS .**
37 **THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING**
38 **YOUR HOME .**

1 **CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW**
2 to assess your situation and refer you to mediation if you might
3 benefit. DO NOT DELAY.
4 **BE CAREFUL** of people who claim they can help you. There are many
5 individuals and businesses that prey upon borrowers in distress.
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7 **SEEKING ASSISTANCE**

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9 little or no cost to you. If you would like assistance in determining
10 your rights and opportunities to keep your house, you may contact the
11 following:

12 The statewide foreclosure hotline for assistance and referral to
13 housing counselors recommended by the Housing Finance Commission

14 Telephone: Website:

15 The United States Department of Housing and Urban Development

16 Telephone: Website:

17 The statewide civil legal aid hotline for assistance and
18 referrals to other housing counselors and attorneys

19 Telephone: Website:

20 The association shall obtain the toll-free numbers and website
21 information from the department of commerce for inclusion in the
22 notice.

23 (b) If, when a delinquent account is referred to an association's
24 attorney, the first preforeclosure notice required under (a) of this
25 subsection has not yet been mailed to the lot owner, the association
26 or the association's attorney shall mail the first preforeclosure
27 notice to the lot owner in order to satisfy the requirement in (a) of
28 this subsection.

29 (c) Mailing the first preforeclosure notice pursuant to (a) of
30 this subsection does not satisfy the requirement in subsection (2)(b)
31 of this section to mail a second preforeclosure notice at or after
32 the date that assessments have become past due for at least 90 days.
33 The second preforeclosure notice may not be mailed sooner than 60
34 days after the first preforeclosure notice is mailed.

35 (2) If the governing documents of an association provide for a
36 lien on the lot of any owner for unpaid assessments, the association
37 may not commence an action to foreclose the lien unless:

1 (a) The lot owner, at the time the action is commenced, owes at
2 least a sum equal to the greater of:

3 (i) Three months or more of assessments, not including fines,
4 late charges, interest, attorneys' fees, or costs incurred by the
5 association in connection with the collection of a delinquent owner's
6 account; or

7 (ii) \$200 of assessments, not including fines, late charges,
8 interest, attorneys' fees, or costs incurred by the association in
9 connection with the collection of a delinquent owner's account;

10 (b) At or after the date that assessments have become past due
11 for at least 90 days, but no sooner than 60 days after the first
12 preforeclosure notice required in subsection (1)(a) of this section
13 is mailed, the association has mailed, by first-class mail, to the
14 owner, at the lot address and to any other address which the owner
15 has provided to the association, a second notice of delinquency,
16 which ((shall state as follows:

17 ~~THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS~~
18 ~~FROM THE HOMEOWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.~~
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22 ~~to assess your situation and refer you to mediation if you might~~
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25 individuals and businesses that prey upon borrowers in distress.
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30 your rights and opportunities to keep your house, you may contact the
31 following:

32 The statewide foreclosure hotline for assistance and referral to
33 housing counselors recommended by the Housing Finance Commission

34 Telephone: Website:

35 The United States Department of Housing and Urban Development

36 Telephone: Website:

37 The statewide civil legal aid hotline for assistance and
38 referrals to other housing counselors and attorneys

39 Telephone: Website:

1 ~~The association shall obtain the toll-free numbers and website~~
2 ~~information from the department of commerce for inclusion in the~~
3 ~~notice)) must include a second preforeclosure notice that contains~~
4 ~~the same information as the first preforeclosure notice provided to~~
5 ~~the lot owner pursuant to subsection (1)(a) of this section. The~~
6 ~~second preforeclosure notice may not be mailed sooner than 60 days~~
7 ~~after the first preforeclosure notice required in subsection (1)(a)~~
8 ~~of this section is mailed;~~

9 (c) At least 90 days have elapsed from the date the minimum
10 amount required in (a) of this subsection has accrued; and

11 (d) The board approves commencement of a foreclosure action
12 specifically against that lot.

13 ~~((2))~~ (3) Every aspect of a collection, foreclosure, sale, or
14 other conveyance under this section, including the method,
15 advertising, time, date, place, and terms, must be commercially
16 reasonable.

17 **Sec. 7.** RCW 64.90.485 and 2021 c 222 s 1 are each amended to
18 read as follows:

19 (1) The association has a statutory lien on each unit for any
20 unpaid assessment against the unit from the time such assessment is
21 due.

22 (2) A lien under this section has priority over all other liens
23 and encumbrances on a unit except:

24 (a) Liens and encumbrances recorded before the recordation of the
25 declaration and, in a cooperative, liens and encumbrances that the
26 association creates, assumes, or takes subject to;

27 (b) Except as otherwise provided in subsection (3) of this
28 section, a security interest on the unit recorded before the date on
29 which the unpaid assessment became due or, in a cooperative, a
30 security interest encumbering only the unit owner's interest and
31 perfected before the date on which the unpaid assessment became due;
32 and

33 (c) Liens for real estate taxes and other state or local
34 governmental assessments or charges against the unit or cooperative.

35 (3)(a) A lien under this section also has priority over the
36 security interests described in subsection (2)(b) of this section to
37 the extent of an amount equal to the following:

1 (i) The common expense assessments, excluding any amounts for
2 capital improvements, based on the periodic budget adopted by the
3 association pursuant to RCW 64.90.480(1), along with any specially
4 allocated assessments that are properly assessable against the unit
5 under such periodic budget, which would have become due in the
6 absence of acceleration during the six months immediately preceding
7 the institution of proceedings to foreclose either the association's
8 lien or a security interest described in subsection (2)(b) of this
9 section;

10 (ii) The association's actual costs and reasonable attorneys'
11 fees incurred in foreclosing its lien but incurred after the giving
12 of the notice described in (a)(iii) of this subsection; provided,
13 however, that the costs and reasonable attorneys' fees that will have
14 priority under this subsection (3)(a)(ii) shall not exceed (~~two~~
15 ~~thousand dollars~~) \$2,000 or an amount equal to the amounts described
16 in (a)(i) of this subsection, whichever is less;

17 (iii) The amounts described in (a)(ii) of this subsection shall
18 be prior only to the security interest of the holder of a security
19 interest on the unit recorded before the date on which the unpaid
20 assessment became due and only if the association has given that
21 holder not less than (~~sixty~~) 60 days' prior written notice that the
22 owner of the unit is in default in payment of an assessment. The
23 notice shall contain:

24 (A) Name of the borrower;

25 (B) Recording date of the trust deed or mortgage;

26 (C) Recording information;

27 (D) Name of condominium, unit owner, and unit designation stated
28 in the declaration or applicable supplemental declaration;

29 (E) Amount of unpaid assessment; and

30 (F) A statement that failure to, within (~~sixty~~) 60 days of the
31 written notice, submit the association payment of six months of
32 assessments as described in (a)(i) of this subsection will result in
33 the priority of the amounts described in (a)(ii) of this subsection;
34 and

35 (iv) Upon payment of the amounts described in (a)(i) and (ii) of
36 this subsection by the holder of a security interest, the
37 association's lien described in this subsection (3)(a) shall
38 thereafter be fully subordinated to the lien of such holder's
39 security interest on the unit.

40 (b) For the purposes of this subsection:

1 (i) "Institution of proceedings" means either:

2 (A) The date of recording of a notice of trustee's sale by a deed
3 of trust beneficiary;

4 (B) The date of commencement, pursuant to applicable court rules,
5 of an action for judicial foreclosure either by the association or by
6 the holder of a recorded security interest; or

7 (C) The date of recording of a notice of intention to forfeit in
8 a real estate contract forfeiture proceeding by the vendor under a
9 real estate contract.

10 (ii) "Capital improvements" does not include making, in the
11 ordinary course of management, repairs to common elements or
12 replacements of the common elements with substantially similar items,
13 subject to: (A) Availability of materials and products, (B)
14 prevailing law, or (C) sound engineering and construction standards
15 then prevailing.

16 (c) The adoption of a periodic budget that purports to allocate
17 to a unit any fines, late charges, interest, attorneys' fees and
18 costs incurred for services unrelated to the foreclosure of the
19 association's lien, other collection charges, or specially allocated
20 assessments assessed under RCW 64.90.480 (6) or (7) does not cause
21 any such items to be included in the priority amount affecting such
22 unit.

23 (4) Subsections (2) and (3) of this section do not affect the
24 priority of mechanics' or material suppliers' liens to the extent
25 that law of this state other than chapter 277, Laws of 2018 gives
26 priority to such liens, or the priority of liens for other
27 assessments made by the association.

28 (5) A lien under this section is not subject to chapter 6.13 RCW.

29 (6) If the association forecloses its lien under this section
30 nonjudicially pursuant to chapter 61.24 RCW, as provided under
31 subsection (13) of this section, the association is not entitled to
32 the lien priority provided for under subsection (3) of this section,
33 and is subject to the limitations on deficiency judgments as provided
34 in chapter 61.24 RCW.

35 (7) Unless the declaration provides otherwise, if two or more
36 associations have liens for assessments created at any time on the
37 same property, those liens have equal priority as to each other, and
38 any foreclosure of one such lien shall not affect the lien of the
39 other.

1 (8) Recording of the declaration constitutes record notice and
2 perfection of the statutory lien created under this section. Further
3 notice or recordation of any claim of lien for assessment under this
4 section is not required, but is not prohibited.

5 (9) A lien for unpaid assessments and the personal liability for
6 payment of those assessments are extinguished unless proceedings to
7 enforce the lien or collect the debt are instituted within six years
8 after the full amount of the assessments sought to be recovered
9 becomes due.

10 (10) This section does not prohibit actions against unit owners
11 to recover sums for which subsection (1) of this section creates a
12 lien or prohibit an association from taking a deed in lieu of
13 foreclosure.

14 (11) The association upon written request must furnish to a unit
15 owner or a mortgagee a statement signed by an officer or authorized
16 agent of the association setting forth the amount of unpaid
17 assessments or the priority amount against that unit, or both. The
18 statement must be furnished within (~~(fifteen)~~) 15 days after receipt
19 of the request and is binding on the association, the board, and
20 every unit owner unless, and to the extent, known by the recipient to
21 be false. The liability of a recipient who reasonably relies upon the
22 statement must not exceed the amount set forth in any statement
23 furnished pursuant to this section or RCW 64.90.640(1)(b).

24 (12) In a cooperative, upon nonpayment of an assessment on a
25 unit, the unit owner may be evicted in the same manner as provided by
26 law in the case of an unlawful holdover by a commercial tenant, and
27 the lien may be foreclosed as provided under this section.

28 (13) The association's lien may be foreclosed in accordance with
29 (a) and (b) of this subsection.

30 (a) In a common interest community other than a cooperative, the
31 association's lien may be foreclosed judicially in accordance with
32 chapter 61.12 RCW, subject to any rights of redemption under chapter
33 6.23 RCW.

34 (b) The lien may be enforced nonjudicially in the manner set
35 forth in chapter 61.24 RCW for nonjudicial foreclosure of deeds of
36 trust if the declaration: Contains a grant of the common interest
37 community in trust to a trustee qualified under RCW 61.24.010 to
38 secure the obligations of the unit owners to the association for the
39 payment of assessments, contains a power of sale, provides in its
40 terms that the units are not used principally for agricultural

1 purposes, and provides that the power of sale is operative in the
2 case of a default in the obligation to pay assessments. The
3 association or its authorized representative may purchase the unit at
4 the foreclosure sale and acquire, hold, lease, mortgage, or convey
5 the unit. Upon an express waiver in the complaint of any right to a
6 deficiency judgment in a judicial foreclosure action, the period of
7 redemption is eight months.

8 (c) In a cooperative in which the unit owners' interests in the
9 units are real estate, the association's lien must be foreclosed in
10 like manner as a mortgage on real estate or by power of sale under
11 (b) of this subsection.

12 (d) In a cooperative in which the unit owners' interests in the
13 units are personal property, the association's lien must be
14 foreclosed in like manner as a security interest under chapter 62A.9A
15 RCW.

16 (14) If the unit owner's interest in a unit in a cooperative is
17 real estate, the following requirements apply:

18 (a) The association, upon nonpayment of assessments and
19 compliance with this subsection, may sell that unit at a public sale
20 or by private negotiation, and at any time and place. The association
21 must give to the unit owner and any lessee of the unit owner
22 reasonable notice in a record of the time, date, and place of any
23 public sale or, if a private sale is intended, of the intention of
24 entering into a contract to sell and of the time and date after which
25 a private conveyance may be made. Such notice must also be sent to
26 any other person that has a recorded interest in the unit that would
27 be cut off by the sale, but only if the recorded interest was on
28 record seven weeks before the date specified in the notice as the
29 date of any public sale or seven weeks before the date specified in
30 the notice as the date after which a private sale may be made. The
31 notices required under this subsection may be sent to any address
32 reasonable in the circumstances. A sale may not be held until five
33 weeks after the sending of the notice. The association may buy at any
34 public sale and, if the sale is conducted by a fiduciary or other
35 person not related to the association, at a private sale.

36 (b) Unless otherwise agreed to or as stated in this section, the
37 unit owner is liable for any deficiency in a foreclosure sale.

38 (c) The proceeds of a foreclosure sale must be applied in the
39 following order:

40 (i) The reasonable expenses of sale;

1 (ii) The reasonable expenses of securing possession before sale;
2 the reasonable expenses of holding, maintaining, and preparing the
3 unit for sale, including payment of taxes and other governmental
4 charges and premiums on insurance; and, to the extent provided for by
5 agreement between the association and the unit owner, reasonable
6 attorneys' fees, costs, and other legal expenses incurred by the
7 association;

8 (iii) Satisfaction of the association's lien;

9 (iv) Satisfaction in the order of priority of any subordinate
10 claim of record; and

11 (v) Remittance of any excess to the unit owner.

12 (d) A good-faith purchaser for value acquires the unit free of
13 the association's debt that gave rise to the lien under which the
14 foreclosure sale occurred and any subordinate interest, even though
15 the association or other person conducting the sale failed to comply
16 with this section. The person conducting the sale must execute a
17 conveyance to the purchaser sufficient to convey the unit and stating
18 that it is executed by the person after a foreclosure of the
19 association's lien by power of sale and that the person was empowered
20 to make the sale. Signature and title or authority of the person
21 signing the conveyance as grantor and a recital of the facts of
22 nonpayment of the assessment and of the giving of the notices
23 required under this subsection are sufficient proof of the facts
24 recited and of the authority to sign. Further proof of authority is
25 not required even though the association is named as grantee in the
26 conveyance.

27 (e) At any time before the association has conveyed a unit in a
28 cooperative or entered into a contract for its conveyance under the
29 power of sale, the unit owners or the holder of any subordinate
30 security interest may cure the unit owner's default and prevent sale
31 or other conveyance by tendering the performance due under the
32 security agreement, including any amounts due because of exercise of
33 a right to accelerate, plus the reasonable expenses of proceeding to
34 foreclosure incurred to the time of tender, including reasonable
35 attorneys' fees and costs of the creditor.

36 (15) In an action by an association to collect assessments or to
37 foreclose a lien on a unit under this section, the court may appoint
38 a receiver to collect all sums alleged to be due and owing to a unit
39 owner before commencement or during pendency of the action. The
40 receivership is governed under chapter 7.60 RCW. During pendency of

1 the action, the court may order the receiver to pay sums held by the
2 receiver to the association for any assessments against the unit. The
3 exercise of rights under this subsection by the association does not
4 affect the priority of preexisting liens on the unit.

5 (16) Except as provided in subsection (3) of this section, the
6 holder of a mortgage or other purchaser of a unit who obtains the
7 right of possession of the unit through foreclosure is not liable for
8 assessments or installments of assessments that became due prior to
9 such right of possession. Such unpaid assessments are deemed to be
10 common expenses collectible from all the unit owners, including such
11 mortgagee or other purchaser of the unit. Foreclosure of a mortgage
12 does not relieve the prior unit owner of personal liability for
13 assessments accruing against the unit prior to the date of such sale
14 as provided in this subsection.

15 (17) In addition to constituting a lien on the unit, each
16 assessment is the joint and several obligation of the unit owner of
17 the unit to which the same are assessed as of the time the assessment
18 is due. A unit owner may not exempt himself or herself from liability
19 for assessments. In a voluntary conveyance other than by foreclosure,
20 the grantee of a unit is jointly and severally liable with the
21 grantor for all unpaid assessments against the grantor up to the time
22 of the grantor's conveyance, without prejudice to the grantee's right
23 to recover from the grantor the amounts paid by the grantee. Suit to
24 recover a personal judgment for any delinquent assessment is
25 maintainable in any court of competent jurisdiction without
26 foreclosing or waiving the lien securing such sums.

27 (18) The association may from time to time establish reasonable
28 late charges and a rate of interest to be charged, not to exceed the
29 maximum rate calculated under RCW 19.52.020, on all subsequent
30 delinquent assessments or installments of assessments. If the
31 association does not establish such a rate, delinquent assessments
32 bear interest from the date of delinquency at the maximum rate
33 calculated under RCW 19.52.020 on the date on which the assessments
34 became delinquent.

35 (19) The association is entitled to recover any costs and
36 reasonable attorneys' fees incurred in connection with the collection
37 of delinquent assessments, whether or not such collection activities
38 result in a suit being commenced or prosecuted to judgment. The
39 prevailing party is also entitled to recover costs and reasonable

1 attorneys' fees in such suits, including any appeals, if it prevails
2 on appeal and in the enforcement of a judgment.

3 (20) To the extent not inconsistent with this section, the
4 declaration may provide for such additional remedies for collection
5 of assessments as may be permitted by law.

6 (21)(a) When the association mails to the unit owner by first-
7 class mail the first notice of delinquency for past due assessments
8 to the unit address and to any other address that the owner has
9 provided to the association, the association shall include a first
10 preforeclosure notice that states as follows:

11 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**
12 **FROM THE UNIT OWNERS ASSOCIATION TO WHICH YOUR HOME BELONGS.**
13 **THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING**
14 **YOUR HOME.**
15 **CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW**
16 **to assess your situation and refer you to mediation if you might**
17 **benefit. DO NOT DELAY.**
18 **BE CAREFUL** of people who claim they can help you. There are many
19 individuals and businesses that prey upon borrowers in distress.
20 **REFER TO THE CONTACTS BELOW** for sources of assistance.

21 **SEEKING ASSISTANCE**

22 Housing counselors and legal assistance may be available at
23 little or no cost to you. If you would like assistance in determining
24 your rights and opportunities to keep your house, you may contact the
25 following:

26 The statewide foreclosure hotline for assistance and referral to
27 housing counselors recommended by the Housing Finance Commission

28 Telephone: Website:

29 The United States Department of Housing and Urban Development

30 Telephone: Website:

31 The statewide civil legal aid hotline for assistance and
32 referrals to other housing counselors and attorneys

33 Telephone: Website:

34 The association shall obtain the toll-free numbers and website
35 information from the department of commerce for inclusion in the
36 notice.

37 (b) If, when a delinquent account is referred to an association's
38 attorney, the first preforeclosure notice required under (a) of this
39 subsection has not yet been mailed to the unit owner, the association

1 or the association's attorney shall mail the first preforeclosure
2 notice to the unit owner in order to satisfy the requirement in (a)
3 of this subsection.

4 (c) Mailing the first preforeclosure notice pursuant to (a) of
5 this subsection does not satisfy the requirement in subsection
6 (22)(b) of this section to mail a second preforeclosure notice at or
7 after the date that assessments have become past due for at least 90
8 days. The second preforeclosure notice may not be mailed sooner than
9 60 days after the first preforeclosure notice is mailed.

10 (22) An association may not commence an action to foreclose a
11 lien on a unit under this section unless:

12 (a) The unit owner, at the time the action is commenced, owes at
13 least a sum equal to the greater of:

14 (i) Three months or more of assessments, not including fines,
15 late charges, interest, attorneys' fees, or costs incurred by the
16 association in connection with the collection of a delinquent owner's
17 account; or

18 (ii) \$200 of assessments, not including fines, late charges,
19 interest, attorneys' fees, or costs incurred by the association in
20 connection with the collection of a delinquent owner's account;

21 (b) At or after the date that assessments have become past due
22 for at least 90 days, but no sooner than 60 days after the first
23 preforeclosure notice required in subsection (21)(a) of this section
24 is mailed, the association has mailed, by first-class mail, to the
25 owner, at the unit address and to any other address which the owner
26 has provided to the association, a second notice of delinquency,
27 which (~~shall state as follows:~~

28 ~~**THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**~~

29 ~~**FROM THE UNIT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.**~~

30 ~~**THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING**~~
31 ~~**YOUR HOME.**~~

32 ~~**CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW**~~
33 ~~to assess your situation and refer you to mediation if you might~~
34 ~~benefit. **DO NOT DELAY.**~~

35 ~~**BE CAREFUL** of people who claim they can help you. There are many~~
36 ~~individuals and businesses that prey upon borrowers in distress.~~

37 ~~**REFER TO THE CONTACTS BELOW** for sources of assistance.~~

38 ~~**SEEKING ASSISTANCE**~~

1 (b) Except as otherwise provided in subsection (3) of this
2 section, a security interest on the unit recorded before the date on
3 which the unpaid assessment became due or, in a cooperative, a
4 security interest encumbering only the unit owner's interest and
5 perfected before the date on which the unpaid assessment became due;
6 and

7 (c) Liens for real estate taxes and other state or local
8 governmental assessments or charges against the unit or cooperative.

9 (3)(a) A lien under this section also has priority over the
10 security interests described in subsection (2)(b) of this section to
11 the extent of an amount equal to the following:

12 (i) The common expense assessments, excluding any amounts for
13 capital improvements, based on the periodic budget adopted by the
14 association pursuant to RCW 64.90.480(1), along with any specially
15 allocated assessments that are properly assessable against the unit
16 under such periodic budget, which would have become due in the
17 absence of acceleration during the six months immediately preceding
18 the institution of proceedings to foreclose either the association's
19 lien or a security interest described in subsection (2)(b) of this
20 section;

21 (ii) The association's actual costs and reasonable attorneys'
22 fees incurred in foreclosing its lien but incurred after the giving
23 of the notice described in (a)(iii) of this subsection; provided,
24 however, that the costs and reasonable attorneys' fees that will have
25 priority under this subsection (3)(a)(ii) shall not exceed (~~two~~
26 ~~thousand dollars~~) \$2,000 or an amount equal to the amounts described
27 in (a)(i) of this subsection, whichever is less;

28 (iii) The amounts described in (a)(ii) of this subsection shall
29 be prior only to the security interest of the holder of a security
30 interest on the unit recorded before the date on which the unpaid
31 assessment became due and only if the association has given that
32 holder not less than (~~sixty~~) 60 days' prior written notice that the
33 owner of the unit is in default in payment of an assessment. The
34 notice shall contain:

35 (A) Name of the borrower;

36 (B) Recording date of the trust deed or mortgage;

37 (C) Recording information;

38 (D) Name of condominium, unit owner, and unit designation stated
39 in the declaration or applicable supplemental declaration;

40 (E) Amount of unpaid assessment; and

1 (F) A statement that failure to, within (~~sixty~~) 60 days of the
2 written notice, submit the association payment of six months of
3 assessments as described in (a)(i) of this subsection will result in
4 the priority of the amounts described in (a)(ii) of this subsection;
5 and

6 (iv) Upon payment of the amounts described in (a)(i) and (ii) of
7 this subsection by the holder of a security interest, the
8 association's lien described in this subsection (3)(a) shall
9 thereafter be fully subordinated to the lien of such holder's
10 security interest on the unit.

11 (b) For the purposes of this subsection:

12 (i) "Institution of proceedings" means either:

13 (A) The date of recording of a notice of trustee's sale by a deed
14 of trust beneficiary;

15 (B) The date of commencement, pursuant to applicable court rules,
16 of an action for judicial foreclosure either by the association or by
17 the holder of a recorded security interest; or

18 (C) The date of recording of a notice of intention to forfeit in
19 a real estate contract forfeiture proceeding by the vendor under a
20 real estate contract.

21 (ii) "Capital improvements" does not include making, in the
22 ordinary course of management, repairs to common elements or
23 replacements of the common elements with substantially similar items,
24 subject to: (A) Availability of materials and products, (B)
25 prevailing law, or (C) sound engineering and construction standards
26 then prevailing.

27 (c) The adoption of a periodic budget that purports to allocate
28 to a unit any fines, late charges, interest, attorneys' fees and
29 costs incurred for services unrelated to the foreclosure of the
30 association's lien, other collection charges, or specially allocated
31 assessments assessed under RCW 64.90.480 (6) or (7) does not cause
32 any such items to be included in the priority amount affecting such
33 unit.

34 (4) Subsections (2) and (3) of this section do not affect the
35 priority of mechanics' or material suppliers' liens to the extent
36 that law of this state other than chapter 277, Laws of 2018 gives
37 priority to such liens, or the priority of liens for other
38 assessments made by the association.

39 (5) A lien under this section is not subject to chapter 6.13 RCW.

1 (6) If the association forecloses its lien under this section
2 nonjudicially pursuant to chapter 61.24 RCW, as provided under
3 subsection (13) of this section, the association is not entitled to
4 the lien priority provided for under subsection (3) of this section,
5 and is subject to the limitations on deficiency judgments as provided
6 in chapter 61.24 RCW.

7 (7) Unless the declaration provides otherwise, if two or more
8 associations have liens for assessments created at any time on the
9 same property, those liens have equal priority as to each other, and
10 any foreclosure of one such lien shall not affect the lien of the
11 other.

12 (8) Recording of the declaration constitutes record notice and
13 perfection of the statutory lien created under this section. Further
14 notice or recordation of any claim of lien for assessment under this
15 section is not required, but is not prohibited.

16 (9) A lien for unpaid assessments and the personal liability for
17 payment of those assessments are extinguished unless proceedings to
18 enforce the lien or collect the debt are instituted within six years
19 after the full amount of the assessments sought to be recovered
20 becomes due.

21 (10) This section does not prohibit actions against unit owners
22 to recover sums for which subsection (1) of this section creates a
23 lien or prohibit an association from taking a deed in lieu of
24 foreclosure.

25 (11) The association upon written request must furnish to a unit
26 owner or a mortgagee a statement signed by an officer or authorized
27 agent of the association setting forth the amount of unpaid
28 assessments or the priority amount against that unit, or both. The
29 statement must be furnished within (~~(fifteen)~~) 15 days after receipt
30 of the request and is binding on the association, the board, and
31 every unit owner unless, and to the extent, known by the recipient to
32 be false. The liability of a recipient who reasonably relies upon the
33 statement must not exceed the amount set forth in any statement
34 furnished pursuant to this section or RCW 64.90.640(1)(b).

35 (12) In a cooperative, upon nonpayment of an assessment on a
36 unit, the unit owner may be evicted in the same manner as provided by
37 law in the case of an unlawful holdover by a commercial tenant, and
38 the lien may be foreclosed as provided under this section.

39 (13) The association's lien may be foreclosed in accordance with
40 (a) and (b) of this subsection.

1 (a) In a common interest community other than a cooperative, the
2 association's lien may be foreclosed judicially in accordance with
3 chapter 61.12 RCW, subject to any rights of redemption under chapter
4 6.23 RCW.

5 (b) The lien may be enforced nonjudicially in the manner set
6 forth in chapter 61.24 RCW for nonjudicial foreclosure of deeds of
7 trust if the declaration: Contains a grant of the common interest
8 community in trust to a trustee qualified under RCW 61.24.010 to
9 secure the obligations of the unit owners to the association for the
10 payment of assessments, contains a power of sale, provides in its
11 terms that the units are not used principally for agricultural
12 purposes, and provides that the power of sale is operative in the
13 case of a default in the obligation to pay assessments. The
14 association or its authorized representative may purchase the unit at
15 the foreclosure sale and acquire, hold, lease, mortgage, or convey
16 the unit. Upon an express waiver in the complaint of any right to a
17 deficiency judgment in a judicial foreclosure action, the period of
18 redemption is eight months.

19 (c) In a cooperative in which the unit owners' interests in the
20 units are real estate, the association's lien must be foreclosed in
21 like manner as a mortgage on real estate or by power of sale under
22 (b) of this subsection.

23 (d) In a cooperative in which the unit owners' interests in the
24 units are personal property, the association's lien must be
25 foreclosed in like manner as a security interest under chapter 62A.9A
26 RCW.

27 (14) If the unit owner's interest in a unit in a cooperative is
28 real estate, the following requirements apply:

29 (a) The association, upon nonpayment of assessments and
30 compliance with this subsection, may sell that unit at a public sale
31 or by private negotiation, and at any time and place. The association
32 must give to the unit owner and any lessee of the unit owner
33 reasonable notice in a record of the time, date, and place of any
34 public sale or, if a private sale is intended, of the intention of
35 entering into a contract to sell and of the time and date after which
36 a private conveyance may be made. Such notice must also be sent to
37 any other person that has a recorded interest in the unit that would
38 be cut off by the sale, but only if the recorded interest was on
39 record seven weeks before the date specified in the notice as the
40 date of any public sale or seven weeks before the date specified in

1 the notice as the date after which a private sale may be made. The
2 notices required under this subsection may be sent to any address
3 reasonable in the circumstances. A sale may not be held until five
4 weeks after the sending of the notice. The association may buy at any
5 public sale and, if the sale is conducted by a fiduciary or other
6 person not related to the association, at a private sale.

7 (b) Unless otherwise agreed to or as stated in this section, the
8 unit owner is liable for any deficiency in a foreclosure sale.

9 (c) The proceeds of a foreclosure sale must be applied in the
10 following order:

11 (i) The reasonable expenses of sale;

12 (ii) The reasonable expenses of securing possession before sale;
13 the reasonable expenses of holding, maintaining, and preparing the
14 unit for sale, including payment of taxes and other governmental
15 charges and premiums on insurance; and, to the extent provided for by
16 agreement between the association and the unit owner, reasonable
17 attorneys' fees, costs, and other legal expenses incurred by the
18 association;

19 (iii) Satisfaction of the association's lien;

20 (iv) Satisfaction in the order of priority of any subordinate
21 claim of record; and

22 (v) Remittance of any excess to the unit owner.

23 (d) A good-faith purchaser for value acquires the unit free of
24 the association's debt that gave rise to the lien under which the
25 foreclosure sale occurred and any subordinate interest, even though
26 the association or other person conducting the sale failed to comply
27 with this section. The person conducting the sale must execute a
28 conveyance to the purchaser sufficient to convey the unit and stating
29 that it is executed by the person after a foreclosure of the
30 association's lien by power of sale and that the person was empowered
31 to make the sale. Signature and title or authority of the person
32 signing the conveyance as grantor and a recital of the facts of
33 nonpayment of the assessment and of the giving of the notices
34 required under this subsection are sufficient proof of the facts
35 recited and of the authority to sign. Further proof of authority is
36 not required even though the association is named as grantee in the
37 conveyance.

38 (e) At any time before the association has conveyed a unit in a
39 cooperative or entered into a contract for its conveyance under the
40 power of sale, the unit owners or the holder of any subordinate

1 security interest may cure the unit owner's default and prevent sale
2 or other conveyance by tendering the performance due under the
3 security agreement, including any amounts due because of exercise of
4 a right to accelerate, plus the reasonable expenses of proceeding to
5 foreclosure incurred to the time of tender, including reasonable
6 attorneys' fees and costs of the creditor.

7 (15) In an action by an association to collect assessments or to
8 foreclose a lien on a unit under this section, the court may appoint
9 a receiver to collect all sums alleged to be due and owing to a unit
10 owner before commencement or during pendency of the action. The
11 receivership is governed under chapter 7.60 RCW. During pendency of
12 the action, the court may order the receiver to pay sums held by the
13 receiver to the association for any assessments against the unit. The
14 exercise of rights under this subsection by the association does not
15 affect the priority of preexisting liens on the unit.

16 (16) Except as provided in subsection (3) of this section, the
17 holder of a mortgage or other purchaser of a unit who obtains the
18 right of possession of the unit through foreclosure is not liable for
19 assessments or installments of assessments that became due prior to
20 such right of possession. Such unpaid assessments are deemed to be
21 common expenses collectible from all the unit owners, including such
22 mortgagee or other purchaser of the unit. Foreclosure of a mortgage
23 does not relieve the prior unit owner of personal liability for
24 assessments accruing against the unit prior to the date of such sale
25 as provided in this subsection.

26 (17) In addition to constituting a lien on the unit, each
27 assessment is the joint and several obligation of the unit owner of
28 the unit to which the same are assessed as of the time the assessment
29 is due. A unit owner may not exempt himself or herself from liability
30 for assessments. In a voluntary conveyance other than by foreclosure,
31 the grantee of a unit is jointly and severally liable with the
32 grantor for all unpaid assessments against the grantor up to the time
33 of the grantor's conveyance, without prejudice to the grantee's right
34 to recover from the grantor the amounts paid by the grantee. Suit to
35 recover a personal judgment for any delinquent assessment is
36 maintainable in any court of competent jurisdiction without
37 foreclosing or waiving the lien securing such sums.

38 (18) The association may from time to time establish reasonable
39 late charges and a rate of interest to be charged, not to exceed the
40 maximum rate calculated under RCW 19.52.020, on all subsequent

1 delinquent assessments or installments of assessments. If the
2 association does not establish such a rate, delinquent assessments
3 bear interest from the date of delinquency at the maximum rate
4 calculated under RCW 19.52.020 on the date on which the assessments
5 became delinquent.

6 (19) The association is entitled to recover any costs and
7 reasonable attorneys' fees incurred in connection with the collection
8 of delinquent assessments, whether or not such collection activities
9 result in a suit being commenced or prosecuted to judgment. The
10 prevailing party is also entitled to recover costs and reasonable
11 attorneys' fees in such suits, including any appeals, if it prevails
12 on appeal and in the enforcement of a judgment.

13 (20) To the extent not inconsistent with this section, the
14 declaration may provide for such additional remedies for collection
15 of assessments as may be permitted by law.

16 (21)(a) When the association mails to the unit owner by first-
17 class mail the first notice of delinquency for past due assessments
18 to the unit address and to any other address that the owner has
19 provided to the association, the association shall include a first
20 preforeclosure notice that states as follows:

21 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**
22 **FROM THE UNIT OWNERS ASSOCIATION TO WHICH YOUR HOME BELONGS.**
23 **THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING**
24 **YOUR HOME.**
25 **CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW**
26 **to assess your situation and refer you to mediation if you might**
27 **benefit. DO NOT DELAY.**
28 **BE CAREFUL** of people who claim they can help you. There are many
29 **individuals and businesses that prey upon borrowers in distress.**
30 **REFER TO THE CONTACTS BELOW** for sources of assistance.

31 **SEEKING ASSISTANCE**

32 Housing counselors and legal assistance may be available at
33 little or no cost to you. If you would like assistance in determining
34 your rights and opportunities to keep your house, you may contact the
35 following:

36 The statewide foreclosure hotline for assistance and referral to
37 housing counselors recommended by the Housing Finance Commission

38 Telephone: Website:

39 The United States Department of Housing and Urban Development

1 Telephone: Website:

2 The statewide civil legal aid hotline for assistance and
3 referrals to other housing counselors and attorneys

4 Telephone: Website:

5 The association shall obtain the toll-free numbers and website
6 information from the department of commerce for inclusion in the
7 notice.

8 (b) If, when a delinquent account is referred to an association's
9 attorney, the first preforeclosure notice required under (a) of this
10 subsection has not yet been mailed to the unit owner, the association
11 or the association's attorney shall mail the first preforeclosure
12 notice to the unit owner in order to satisfy the requirement in (a)
13 of this subsection.

14 (c) Mailing the first preforeclosure notice pursuant to (a) of
15 this subsection does not satisfy the requirement in subsection
16 (22)(b) of this section to mail a second preforeclosure notice at or
17 after the date that assessments have become past due for at least 90
18 days. The second preforeclosure notice may not be mailed sooner than
19 60 days after the first preforeclosure notice is mailed.

20 (22) An association may not commence an action to foreclose a
21 lien on a unit under this section unless:

22 (a) The unit owner, at the time the action is commenced, owes at
23 least a sum equal to the greater of:

24 (i) Three months or more of assessments, not including fines,
25 late charges, interest, attorneys' fees, or costs incurred by the
26 association in connection with the collection of a delinquent owner's
27 account; or

28 (ii) \$200 of assessments, not including fines, late charges,
29 interest, attorneys' fees, or costs incurred by the association in
30 connection with the collection of a delinquent owner's account;

31 (b) At or after the date that assessments have become past due
32 for at least 90 days, but no sooner than 60 days after the first
33 preforeclosure notice required in subsection (21)(a) of this section
34 is mailed, the association has mailed, by first-class mail, to the
35 owner, at the unit address and to any other address which the owner
36 has provided to the association, a second notice of delinquency,
37 which ((shall state as follows:

38 ~~**THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**~~
39 ~~**FROM THE UNIT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.**~~

1 ~~THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING~~
2 ~~YOUR HOME.~~

3 ~~CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW~~
4 ~~to assess your situation and refer you to mediation if you might~~
5 ~~benefit. DO NOT DELAY.~~

6 ~~BE CAREFUL~~ of people who claim they can help you. There are many
7 individuals and businesses that prey upon borrowers in distress.

8 ~~REFER TO THE CONTACTS BELOW~~ for sources of assistance.

9 **SEEKING ASSISTANCE**

10 Housing counselors and legal assistance may be available at
11 little or no cost to you. If you would like assistance in determining
12 your rights and opportunities to keep your house, you may contact the
13 following:

14 The statewide foreclosure hotline for assistance and referral to
15 housing counselors recommended by the Housing Finance Commission

16 Telephone: Website:

17 The United States Department of Housing and Urban Development

18 Telephone: Website:

19 The statewide civil legal aid hotline for assistance and
20 referrals to other housing counselors and attorneys

21 Telephone: Website:

22 The association shall obtain the toll-free numbers and website
23 information from the department of commerce for inclusion in the
24 notice)) must include a second preforeclosure notice that contains
25 the same information as the first preforeclosure notice provided to
26 the owner pursuant to subsection (21)(a) of this section. The second
27 preforeclosure notice may not be mailed sooner than 60 days after the
28 first preforeclosure notice required in subsection (21)(a) of this
29 section is mailed;

30 (c) At least 90 days have elapsed from the date the minimum
31 amount required in (a) of this subsection has accrued; and

32 (d) The board approves commencement of a foreclosure action
33 specifically against that unit.

34 ((+22)) (23) Every aspect of a collection, foreclosure, sale, or
35 other conveyance under this section, including the method,
36 advertising, time, date, place, and terms, must be commercially
37 reasonable.

1 **Sec. 9.** 2021 c 222 s 9 (uncodified) is amended to read as
2 follows:

3 Sections 1, 3, 5, and 7 of this act expire January 1, ((2024))
4 2025.

5 **Sec. 10.** 2021 c 222 s 10 (uncodified) is amended to read as
6 follows:

7 Sections 2, 4, 6, and 8 of this act take effect January 1,
8 ((2024)) 2025.

9 NEW SECTION. **Sec. 11.** Sections 1, 3, 5, and 7 of this act
10 expire January 1, 2025.

11 NEW SECTION. **Sec. 12.** Sections 2, 4, 6, and 8 of this act take
12 effect January 1, 2025."

13 Correct the title.

EFFECT: Makes the following changes to the preforeclosure notice mailing requirements applicable when an association of unit owners in a common interest community mails a notice of delinquency for past due assessments to a unit owner:

(1) Provides that if, when a delinquent account is referred to an association's attorney, the first preforeclosure notice has not yet been mailed to the unit owner, the association or the association's attorney must mail the first preforeclosure notice to the unit owner in order to satisfy the mailing requirement; and

(2) Provides that the second preforeclosure notice may not be mailed sooner than 60 days after the first preforeclosure notice is mailed.

--- END ---