
ENGROSSED HOUSE BILL 1636

State of Washington 68th Legislature 2023 Regular Session

By Representatives Orwall, Walsh, and Timmons

Read first time 01/27/23. Referred to Committee on Housing.

1 AN ACT Relating to foreclosure protections for homeowners in
2 common interest communities; amending RCW 64.32.200, 64.32.200,
3 64.34.364, 64.34.364, 64.38.100, 64.38.100, 64.90.485, and 64.90.485;
4 amending 2021 c 222 ss 9 and 10 (uncodified); providing an effective
5 date; and providing an expiration date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

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

20 (2) All sums assessed by the association of apartment owners but
21 unpaid for the share of the common expenses chargeable to any

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

22 (3) Where the mortgagee of a mortgage of record or other
23 purchaser of an apartment obtains possession of the apartment as a
24 result of foreclosure of the mortgage, such possessor, his or her
25 successors and assigns shall not be liable for the share of the
26 common expenses or assessments by the association of apartment owners
27 chargeable to such apartment which became due prior to such
28 possession. Such unpaid share of common expenses or assessments shall
29 be deemed to be common expenses collectible from all of the apartment
30 owners including such possessor, his or her successors and assigns.

31 (4) (a) When the association, or the manager or board of directors
32 on its behalf, mails to the apartment owner by first-class mail the
33 first notice of delinquency for past due assessments to the apartment
34 address and to any other address that the owner has provided to the
35 association, the association shall include a first preforeclosure
36 notice that states as follows:

37 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**
38 **FROM THE APARTMENT 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.

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

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

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

1 (a) The apartment owner, at the time the action is commenced,
2 owes at 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 (4)(a) of this section
13 is mailed, the association has mailed, by first-class mail, to the
14 owner, at the apartment address and to any other address which the
15 owner has provided to the association, a second notice of
16 delinquency, which ((shall state as follows:

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

27 **SEEKING ASSISTANCE**

28 Housing counselors and legal assistance may be available at
29 little or no cost to you. If you would like assistance in determining
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 apartment owner pursuant to subsection (4)(a) of this section.
6 The second preforeclosure notice may not be mailed sooner than 60
7 days after the first preforeclosure notice required in subsection
8 (4)(a) of this section is mailed;

9 (c) At least 180 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 apartment.

13 ~~((5))~~ (6) 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. 2.** RCW 64.32.200 and 2021 c 222 s 4 are each amended to
18 read as follows:

19 (1) The declaration may provide for the collection of all sums
20 assessed by the association of apartment owners for the share of the
21 common expenses chargeable to any apartment and the collection may be
22 enforced in any manner provided in the declaration including, but not
23 limited to, (a) ~~((ten))~~ 10 days notice shall be given the delinquent
24 apartment owner to the effect that unless such assessment is paid
25 within ~~((ten))~~ 10 days any or all utility services will be forthwith
26 severed and shall remain severed until such assessment is paid, or
27 (b) collection of such assessment may be made by such lawful method
28 of enforcement, judicial or extra-judicial, as may be provided in the
29 declaration and/or bylaws.

30 (2) All sums assessed by the association of apartment owners but
31 unpaid for the share of the common expenses chargeable to any
32 apartment shall constitute a lien on such apartment prior to all
33 other liens except only (a) tax liens on the apartment in favor of
34 any assessing unit and/or special district, and (b) all sums unpaid
35 on all mortgages of record. Such lien is not subject to the ban
36 against execution or forced sales of homesteads under RCW 6.13.080
37 and, subject to the provisions in subsection ~~((4))~~ (5) of this
38 section, may be foreclosed by suit by the manager or board of
39 directors, acting on behalf of the apartment owners, in like manner

1 as a mortgage of real property. In any such foreclosure the apartment
2 owner shall be required to pay a reasonable rental for the apartment,
3 if so provided in the bylaws, and the plaintiff in such foreclosures
4 shall be entitled to the appointment of a receiver to collect the
5 same. The manager or board of directors, acting on behalf of the
6 apartment owners, shall have power, unless prohibited by the
7 declaration, to bid on the apartment at foreclosure sale, and to
8 acquire and hold, lease, mortgage, and convey the same. Upon an
9 express waiver in the complaint of any right to a deficiency
10 judgment, the period of redemption shall be eight months after the
11 sale. Suit to recover any judgment for any unpaid common expenses
12 shall be maintainable without foreclosing or waiving the liens
13 securing the same.

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

23 (4) (a) When the association, or the manager or board of directors
24 on its behalf, mails to the apartment owner by first-class mail the
25 first notice of delinquency for past due assessments to the apartment
26 address and to any other address that the owner has provided to the
27 association, the association shall include a first preforeclosure
28 notice that states as follows:

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

39 **SEEKING ASSISTANCE**

1 Housing counselors and legal assistance may be available at
2 little or no cost to you. If you would like assistance in determining
3 your rights and opportunities to keep your house, you may contact the
4 following:

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

7 Telephone: Website:

8 The United States Department of Housing and Urban Development

9 Telephone: Website:

10 The statewide civil legal aid hotline for assistance and
11 referrals to other housing counselors and attorneys

12 Telephone: Website:

13 The association shall obtain the toll-free numbers and website
14 information from the department of commerce for inclusion in the
15 notice.

16 (b) If, when a delinquent account is referred to an association's
17 attorney, the first preforeclosure notice required under (a) of this
18 subsection has not yet been mailed to the apartment owner, the
19 association or the association's attorney shall mail the first
20 preforeclosure notice to the apartment owner in order to satisfy the
21 requirement in (a) of this subsection.

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

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

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

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

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

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

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

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

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

18 ~~**SEEKING ASSISTANCE**~~

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

23 ~~The statewide foreclosure hotline for assistance and referral to~~
24 ~~housing counselors recommended by the Housing Finance Commission~~
25 ~~Telephone: Website:~~

26 ~~The United States Department of Housing and Urban Development~~
27 ~~Telephone: Website:~~

28 ~~The statewide civil legal aid hotline for assistance and~~
29 ~~referrals to other housing counselors and attorneys~~
30 ~~Telephone: Website:~~

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

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

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

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

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

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

14 (2) A lien under this section shall be prior to all other liens
15 and encumbrances on a unit except: (a) Liens and encumbrances
16 recorded before the recording of the declaration; (b) a mortgage on
17 the unit recorded before the date on which the assessment sought to
18 be enforced became delinquent; and (c) liens for real property taxes
19 and other governmental assessments or charges against the unit. A
20 lien under this section is not subject to the provisions of chapter
21 6.13 RCW.

22 (3) Except as provided in subsections (4) and (5) of this
23 section, the lien shall also be prior to the mortgages described in
24 subsection (2)(b) of this section to the extent of assessments for
25 common expenses, excluding any amounts for capital improvements,
26 based on the periodic budget adopted by the association pursuant to
27 RCW 64.34.360(1) which would have become due during the six months
28 immediately preceding the date of a sheriff's sale in an action for
29 judicial foreclosure by either the association or a mortgagee, the
30 date of a trustee's sale in a nonjudicial foreclosure by a mortgagee,
31 or the date of recording of the declaration of forfeiture in a
32 proceeding by the vendor under a real estate contract.

33 (4) The priority of the association's lien against units
34 encumbered by a mortgage held by an eligible mortgagee or by a
35 mortgagee which has given the association a written request for a
36 notice of delinquent assessments shall be reduced by up to three
37 months if and to the extent that the lien priority under subsection
38 (3) of this section includes delinquencies which relate to a period
39 after such holder becomes an eligible mortgagee or has given such

1 notice and before the association gives the holder a written notice
2 of the delinquency. This subsection does not affect the priority of
3 mechanics' or material suppliers' liens, or the priority of liens for
4 other assessments made by the association.

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

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

13 (7) Recording of the declaration constitutes record notice and
14 perfection of the lien for assessments. While no further recording of
15 any claim of lien for assessment under this section shall be required
16 to perfect the association's lien, the association may record a
17 notice of claim of lien for assessments under this section in the
18 real property records of any county in which the condominium is
19 located. Such recording shall not constitute the written notice of
20 delinquency to a mortgagee referred to in subsection (2) of this
21 section.

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

26 (9) The lien arising under this section may be enforced
27 judicially by the association or its authorized representative in the
28 manner set forth in chapter 61.12 RCW. The lien arising under this
29 section may be enforced nonjudicially in the manner set forth in
30 chapter 61.24 RCW for nonjudicial foreclosure of deeds of trust if
31 the declaration (a) contains a grant of the condominium in trust to a
32 trustee qualified under RCW 61.24.010 to secure the obligations of
33 the unit owners to the association for the payment of assessments,
34 (b) contains a power of sale, (c) provides in its terms that the
35 units are not used principally for agricultural or farming purposes,
36 and (d) provides that the power of sale is operative in the case of a
37 default in the obligation to pay assessments. The association or its
38 authorized representative shall have the power, unless prohibited by
39 the declaration, to purchase the unit at the foreclosure sale and to
40 acquire, hold, lease, mortgage, or convey the same. Upon an express

1 waiver in the complaint of any right to a deficiency judgment in a
2 judicial foreclosure action, the period of redemption shall be eight
3 months. Nothing in this section shall prohibit an association from
4 taking a deed in lieu of foreclosure.

5 (10) From the time of commencement of an action by the
6 association to foreclose a lien for nonpayment of delinquent
7 assessments against a unit that is not occupied by the owner thereof,
8 the association shall be entitled to the appointment of a receiver to
9 collect from the lessee thereof the rent for the unit as and when
10 due. If the rental is not paid, the receiver may obtain possession of
11 the unit, refurbish it for rental up to a reasonable standard for
12 rental units in this type of condominium, rent the unit or permit its
13 rental to others, and apply the rents first to the cost of the
14 receivership and attorneys' fees thereof, then to the cost of
15 refurbishing the unit, then to applicable charges, then to costs,
16 fees, and charges of the foreclosure action, and then to the payment
17 of the delinquent assessments. Only a receiver may take possession
18 and collect rents under this subsection, and a receiver shall not be
19 appointed less than (~~ninety~~) 90 days after the delinquency. The
20 exercise by the association of the foregoing rights shall not affect
21 the priority of preexisting liens on the unit.

22 (11) Except as provided in subsection (3) of this section, the
23 holder of a mortgage or other purchaser of a unit who obtains the
24 right of possession of the unit through foreclosure shall not be
25 liable for assessments or installments thereof that became due prior
26 to such right of possession. Such unpaid assessments shall be deemed
27 to be common expenses collectible from all the unit owners, including
28 such mortgagee or other purchaser of the unit. Foreclosure of a
29 mortgage does not relieve the prior owner of personal liability for
30 assessments accruing against the unit prior to the date of such sale
31 as provided in this subsection.

32 (12) In addition to constituting a lien on the unit, each
33 assessment shall be the joint and several obligation of the owner or
34 owners of the unit to which the same are assessed as of the time the
35 assessment is due. In a voluntary conveyance, the grantee of a unit
36 shall be jointly and severally liable with the grantor for all unpaid
37 assessments against the grantor up to the time of the grantor's
38 conveyance, without prejudice to the grantee's right to recover from
39 the grantor the amounts paid by the grantee therefor. Suit to recover
40 a personal judgment for any delinquent assessment shall be

1 maintainable in any court of competent jurisdiction without
2 foreclosing or waiving the lien securing such sums.

3 (13) The association may from time to time establish reasonable
4 late charges and a rate of interest to be charged on all subsequent
5 delinquent assessments or installments thereof. In the absence of
6 another established nonusurious rate, delinquent assessments shall
7 bear interest from the date of delinquency at the maximum rate
8 permitted under RCW 19.52.020 on the date on which the assessments
9 became delinquent.

10 (14) The association shall be entitled to recover any costs and
11 reasonable attorneys' fees incurred in connection with the collection
12 of delinquent assessments, whether or not such collection activities
13 result in suit being commenced or prosecuted to judgment. In
14 addition, the association shall be entitled to recover costs and
15 reasonable attorneys' fees if it prevails on appeal and in the
16 enforcement of a judgment.

17 (15) The association upon written request shall furnish to a unit
18 owner or a mortgagee a statement signed by an officer or authorized
19 agent of the association setting forth the amount of unpaid
20 assessments against that unit. The statement shall be furnished
21 within fifteen days after receipt of the request and is binding on
22 the association, the board of directors, and every unit owner, unless
23 and to the extent known by the recipient to be false.

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

27 (17) (a) When the association mails to the unit owner by first-
28 class mail the first notice of delinquency for past due assessments
29 to the unit address and to any other address that the owner has
30 provided to the association, the association shall include a first
31 preforeclosure notice that states as follows:

32 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**
33 **FROM THE UNIT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.**
34 **THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING**
35 **YOUR HOME.**
36 **CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW**
37 **to assess your situation and refer you to mediation if you might**
38 **benefit. DO NOT DELAY.**

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

4 **SEEKING ASSISTANCE**

5 Housing counselors and legal assistance may be available at
6 little or no cost to you. If you would like assistance in determining
7 your rights and opportunities to keep your house, you may contact the
8 following:

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

11 Telephone: Website:

12 The United States Department of Housing and Urban Development

13 Telephone: Website:

14 The statewide civil legal aid hotline for assistance and
15 referrals to other housing counselors and attorneys

16 Telephone: Website:

17 The association shall obtain the toll-free numbers and website
18 information from the department of commerce for inclusion in the
19 notice.

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

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

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

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

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

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

4 (b) At or after the date that assessments have become past due
5 for at least 90 days, but no sooner than 60 days after the first
6 preforeclosure notice required in subsection (17) (a) of this section
7 is mailed, the association has mailed, by first-class mail, to the
8 owner, at the unit address and to any other address which the owner
9 has provided to the association, a second notice of delinquency,
10 which ((shall state 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)) must include a second preforeclosure notice that contains
37 the same information as the first preforeclosure notice provided to
38 the unit owner pursuant to subsection (17) (a) of this section. The
39 second preforeclosure notice may not be mailed sooner than 60 days

1 after the first preforeclosure notice required in subsection (17)(a)
2 of this section is mailed;

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

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

7 ~~((18))~~ (19) Every aspect of a collection, foreclosure, sale, or
8 other conveyance under this section, including the method,
9 advertising, time, date, place, and terms, must be commercially
10 reasonable.

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

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

16 (2) A lien under this section shall be prior to all other liens
17 and encumbrances on a unit except: (a) Liens and encumbrances
18 recorded before the recording of the declaration; (b) a mortgage on
19 the unit recorded before the date on which the assessment sought to
20 be enforced became delinquent; and (c) liens for real property taxes
21 and other governmental assessments or charges against the unit. A
22 lien under this section is not subject to the provisions of chapter
23 6.13 RCW.

24 (3) Except as provided in subsections (4) and (5) of this
25 section, the lien shall also be prior to the mortgages described in
26 subsection (2)(b) of this section to the extent of assessments for
27 common expenses, excluding any amounts for capital improvements,
28 based on the periodic budget adopted by the association pursuant to
29 RCW 64.34.360(1) which would have become due during the six months
30 immediately preceding the date of a sheriff's sale in an action for
31 judicial foreclosure by either the association or a mortgagee, the
32 date of a trustee's sale in a nonjudicial foreclosure by a mortgagee,
33 or the date of recording of the declaration of forfeiture in a
34 proceeding by the vendor under a real estate contract.

35 (4) The priority of the association's lien against units
36 encumbered by a mortgage held by an eligible mortgagee or by a
37 mortgagee which has given the association a written request for a
38 notice of delinquent assessments shall be reduced by up to three
39 months if and to the extent that the lien priority under subsection

1 (3) of this section includes delinquencies which relate to a period
2 after such holder becomes an eligible mortgagee or has given such
3 notice and before the association gives the holder a written notice
4 of the delinquency. This subsection does not affect the priority of
5 mechanics' or material suppliers' liens, or the priority of liens for
6 other assessments made by the association.

7 (5) If the association forecloses its lien under this section
8 nonjudicially pursuant to chapter 61.24 RCW, as provided by
9 subsection (9) of this section, the association shall not be entitled
10 to the lien priority provided for under subsection (3) of this
11 section.

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

15 (7) Recording of the declaration constitutes record notice and
16 perfection of the lien for assessments. While no further recording of
17 any claim of lien for assessment under this section shall be required
18 to perfect the association's lien, the association may record a
19 notice of claim of lien for assessments under this section in the
20 real property records of any county in which the condominium is
21 located. Such recording shall not constitute the written notice of
22 delinquency to a mortgagee referred to in subsection (2) of this
23 section.

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

28 (9) The lien arising under this section may be enforced
29 judicially by the association or its authorized representative in the
30 manner set forth in chapter 61.12 RCW. The lien arising under this
31 section may be enforced nonjudicially in the manner set forth in
32 chapter 61.24 RCW for nonjudicial foreclosure of deeds of trust if
33 the declaration (a) contains a grant of the condominium in trust to a
34 trustee qualified under RCW 61.24.010 to secure the obligations of
35 the unit owners to the association for the payment of assessments,
36 (b) contains a power of sale, (c) provides in its terms that the
37 units are not used principally for agricultural or farming purposes,
38 and (d) provides that the power of sale is operative in the case of a
39 default in the obligation to pay assessments. The association or its
40 authorized representative shall have the power, unless prohibited by

1 the declaration, to purchase the unit at the foreclosure sale and to
2 acquire, hold, lease, mortgage, or convey the same. Upon an express
3 waiver in the complaint of any right to a deficiency judgment in a
4 judicial foreclosure action, the period of redemption shall be eight
5 months. Nothing in this section shall prohibit an association from
6 taking a deed in lieu of foreclosure.

7 (10) From the time of commencement of an action by the
8 association to foreclose a lien for nonpayment of delinquent
9 assessments against a unit that is not occupied by the owner thereof,
10 the association shall be entitled to the appointment of a receiver to
11 collect from the lessee thereof the rent for the unit as and when
12 due. If the rental is not paid, the receiver may obtain possession of
13 the unit, refurbish it for rental up to a reasonable standard for
14 rental units in this type of condominium, rent the unit or permit its
15 rental to others, and apply the rents first to the cost of the
16 receivership and attorneys' fees thereof, then to the cost of
17 refurbishing the unit, then to applicable charges, then to costs,
18 fees, and charges of the foreclosure action, and then to the payment
19 of the delinquent assessments. Only a receiver may take possession
20 and collect rents under this subsection, and a receiver shall not be
21 appointed less than (~~ninety~~) 90 days after the delinquency. The
22 exercise by the association of the foregoing rights shall not affect
23 the priority of preexisting liens on the unit.

24 (11) Except as provided in subsection (3) of this section, the
25 holder of a mortgage or other purchaser of a unit who obtains the
26 right of possession of the unit through foreclosure shall not be
27 liable for assessments or installments thereof that became due prior
28 to such right of possession. Such unpaid assessments shall be deemed
29 to be common expenses collectible from all the unit owners, including
30 such mortgagee or other purchaser of the unit. Foreclosure of a
31 mortgage does not relieve the prior owner of personal liability for
32 assessments accruing against the unit prior to the date of such sale
33 as provided in this subsection.

34 (12) In addition to constituting a lien on the unit, each
35 assessment shall be the joint and several obligation of the owner or
36 owners of the unit to which the same are assessed as of the time the
37 assessment is due. In a voluntary conveyance, the grantee of a unit
38 shall be jointly and severally liable with the grantor for all unpaid
39 assessments against the grantor up to the time of the grantor's
40 conveyance, without prejudice to the grantee's right to recover from

1 the grantor the amounts paid by the grantee therefor. Suit to recover
2 a personal judgment for any delinquent assessment shall be
3 maintainable in any court of competent jurisdiction without
4 foreclosing or waiving the lien securing such sums.

5 (13) The association may from time to time establish reasonable
6 late charges and a rate of interest to be charged on all subsequent
7 delinquent assessments or installments thereof. In the absence of
8 another established nonusurious rate, delinquent assessments shall
9 bear interest from the date of delinquency at the maximum rate
10 permitted under RCW 19.52.020 on the date on which the assessments
11 became delinquent.

12 (14) The association shall be entitled to recover any costs and
13 reasonable attorneys' fees incurred in connection with the collection
14 of delinquent assessments, whether or not such collection activities
15 result in suit being commenced or prosecuted to judgment. In
16 addition, the association shall be entitled to recover costs and
17 reasonable attorneys' fees if it prevails on appeal and in the
18 enforcement of a judgment.

19 (15) The association upon written request shall furnish to a unit
20 owner or a mortgagee a statement signed by an officer or authorized
21 agent of the association setting forth the amount of unpaid
22 assessments against that unit. The statement shall be furnished
23 within fifteen days after receipt of the request and is binding on
24 the association, the board of directors, and every unit owner, unless
25 and to the extent known by the recipient to be false.

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

29 (17) (a) When the association mails to the unit owner by first-
30 class mail the first notice of delinquency for past due assessments
31 to the unit address and to any other address that the owner has
32 provided to the association, the association shall include a first
33 preforeclosure notice that states 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.
6 **REFER TO THE CONTACTS BELOW** for sources of assistance.

7 **SEEKING ASSISTANCE**

8 Housing counselors and legal assistance may be available at
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 unit owner, the association
26 or the association's attorney shall mail the first preforeclosure
27 notice to the unit owner in order to satisfy the requirement in (a)
28 of this subsection.

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

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

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

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

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

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

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

25 **SEEKING ASSISTANCE**

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

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

32 Telephone: Website:

33 The United States Department of Housing and Urban Development

34 Telephone: Website:

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

37 Telephone: Website:

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

1 notice)) must include a second preforeclosure notice that contains
2 the same information as the first preforeclosure notice provided to
3 the unit owner pursuant to subsection (17)(a) of this section. The
4 second preforeclosure notice may not be mailed sooner than 60 days
5 after the first preforeclosure notice required in subsection (17)(a)
6 of this section is mailed;

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

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

11 (~~(18)~~) (19) Every aspect of a collection, foreclosure, sale, or
12 other conveyance under this section, including the method,
13 advertising, time, date, place, and terms, must be commercially
14 reasonable.

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

17 (1) (a) If the governing documents of an association provide for a
18 lien on the lot of any owner for unpaid assessments, the association
19 shall include the following first preforeclosure notice when mailing
20 to the lot owner by first-class mail the first notice of delinquency
21 to the lot address and to any other address that the owner has
22 provided to the association:

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

33 **SEEKING ASSISTANCE**

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

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

3 Telephone: Website:

4 The United States Department of Housing and Urban Development

5 Telephone: Website:

6 The statewide civil legal aid hotline for assistance and
7 referrals to other housing counselors and attorneys

8 Telephone: Website:

9 The association shall obtain the toll-free numbers and website
10 information from the department of commerce for inclusion in the
11 notice.

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

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

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

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

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

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

36 (b) At or after the date that assessments have become past due
37 for at least 90 days, but no sooner than 60 days after the first
38 preforeclosure notice required in subsection (1)(a) of this section
39 is mailed, the association has mailed, by first-class mail, to the

1 owner, at the lot address and to any other address which the owner
2 has provided to the association, a second notice of delinquency,
3 which ((shall state as follows:

4 ~~THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS~~
5 ~~FROM THE HOMEOWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.~~
6 ~~THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING~~
7 ~~YOUR HOME.~~

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

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

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

14 **SEEKING ASSISTANCE**

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

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

21 Telephone: Website:

22 The United States Department of Housing and Urban Development

23 Telephone: Website:

24 The statewide civil legal aid hotline for assistance and
25 referrals to other housing counselors and attorneys

26 Telephone: Website:

27 The association shall obtain the toll-free numbers and website
28 information from the department of commerce for inclusion in the
29 notice)) must include a second preforeclosure notice that contains
30 the same information as the first preforeclosure notice provided to
31 the lot owner pursuant to subsection (1)(a) of this section. The
32 second preforeclosure notice may not be mailed sooner than 60 days
33 after the first preforeclosure notice required in subsection (1)(a)
34 of this section is mailed;

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

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

1 (~~(2)~~) (3) Every aspect of a collection, foreclosure, sale, or
2 other conveyance under this section, including the method,
3 advertising, time, date, place, and terms, must be commercially
4 reasonable.

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

7 (1)(a) If the governing documents of an association provide for a
8 lien on the lot of any owner for unpaid assessments, the association
9 shall include the following first preforeclosure notice when mailing
10 to the lot owner by first-class mail the first notice of delinquency
11 to the lot address and to any other address that the owner has
12 provided to the association:

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

23 **SEEKING ASSISTANCE**

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

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

30 Telephone: Website:

31 The United States Department of Housing and Urban Development

32 Telephone: Website:

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

35 Telephone: Website:

36 The association shall obtain the toll-free numbers and website
37 information from the department of commerce for inclusion in the
38 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 lot owner, the association
4 or the association's attorney shall mail the first preforeclosure
5 notice to the lot owner in order to satisfy the requirement in (a) of
6 this subsection.

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

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

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

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

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

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

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

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

4 **SEEKING ASSISTANCE**

5 Housing counselors and legal assistance may be available at
6 little or no cost to you. If you would like assistance in determining
7 your rights and opportunities to keep your house, you may contact the
8 following:

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

11 Telephone: Website:

12 The United States Department of Housing and Urban Development

13 Telephone: Website:

14 The statewide civil legal aid hotline for assistance and
15 referrals to other housing counselors and attorneys

16 Telephone: Website:

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

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

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

29 ((+2)) (3) Every aspect of a collection, foreclosure, sale, or
30 other conveyance under this section, including the method,
31 advertising, time, date, place, and terms, must be commercially
32 reasonable.

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

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

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

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

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

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

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

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

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

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

40 (A) Name of the borrower;

1 (B) Recording date of the trust deed or mortgage;
2 (C) Recording information;
3 (D) Name of condominium, unit owner, and unit designation stated
4 in the declaration or applicable supplemental declaration;
5 (E) Amount of unpaid assessment; and
6 (F) A statement that failure to, within (~~sixty~~) 60 days of the
7 written notice, submit the association payment of six months of
8 assessments as described in (a)(i) of this subsection will result in
9 the priority of the amounts described in (a)(ii) of this subsection;
10 and
11 (iv) Upon payment of the amounts described in (a)(i) and (ii) of
12 this subsection by the holder of a security interest, the
13 association's lien described in this subsection (3)(a) shall
14 thereafter be fully subordinated to the lien of such holder's
15 security interest on the unit.
16 (b) For the purposes of this subsection:
17 (i) "Institution of proceedings" means either:
18 (A) The date of recording of a notice of trustee's sale by a deed
19 of trust beneficiary;
20 (B) The date of commencement, pursuant to applicable court rules,
21 of an action for judicial foreclosure either by the association or by
22 the holder of a recorded security interest; or
23 (C) The date of recording of a notice of intention to forfeit in
24 a real estate contract forfeiture proceeding by the vendor under a
25 real estate contract.
26 (ii) "Capital improvements" does not include making, in the
27 ordinary course of management, repairs to common elements or
28 replacements of the common elements with substantially similar items,
29 subject to: (A) Availability of materials and products, (B)
30 prevailing law, or (C) sound engineering and construction standards
31 then prevailing.
32 (c) The adoption of a periodic budget that purports to allocate
33 to a unit any fines, late charges, interest, attorneys' fees and
34 costs incurred for services unrelated to the foreclosure of the
35 association's lien, other collection charges, or specially allocated
36 assessments assessed under RCW 64.90.480 (6) or (7) does not cause
37 any such items to be included in the priority amount affecting such
38 unit.
39 (4) Subsections (2) and (3) of this section do not affect the
40 priority of mechanics' or material suppliers' liens to the extent

1 that law of this state other than chapter 277, Laws of 2018 gives
2 priority to such liens, or the priority of liens for other
3 assessments made by the association.

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

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

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

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

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

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

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

39 (12) In a cooperative, upon nonpayment of an assessment on a
40 unit, the unit owner may be evicted in the same manner as provided by

1 law in the case of an unlawful holdover by a commercial tenant, and
2 the lien may be foreclosed as provided under this section.

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

5 (a) In a common interest community other than a cooperative, the
6 association's lien may be foreclosed judicially in accordance with
7 chapter 61.12 RCW, subject to any rights of redemption under chapter
8 6.23 RCW.

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

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

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

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

33 (a) The association, upon nonpayment of assessments and
34 compliance with this subsection, may sell that unit at a public sale
35 or by private negotiation, and at any time and place. The association
36 must give to the unit owner and any lessee of the unit owner
37 reasonable notice in a record of the time, date, and place of any
38 public sale or, if a private sale is intended, of the intention of
39 entering into a contract to sell and of the time and date after which
40 a private conveyance may be made. Such notice must also be sent to

1 any other person that has a recorded interest in the unit that would
2 be cut off by the sale, but only if the recorded interest was on
3 record seven weeks before the date specified in the notice as the
4 date of any public sale or seven weeks before the date specified in
5 the notice as the date after which a private sale may be made. The
6 notices required under this subsection may be sent to any address
7 reasonable in the circumstances. A sale may not be held until five
8 weeks after the sending of the notice. The association may buy at any
9 public sale and, if the sale is conducted by a fiduciary or other
10 person not related to the association, at a private sale.

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

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

15 (i) The reasonable expenses of sale;

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

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

24 (iv) Satisfaction in the order of priority of any subordinate
25 claim of record; and

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

27 (d) A good-faith purchaser for value acquires the unit free of
28 the association's debt that gave rise to the lien under which the
29 foreclosure sale occurred and any subordinate interest, even though
30 the association or other person conducting the sale failed to comply
31 with this section. The person conducting the sale must execute a
32 conveyance to the purchaser sufficient to convey the unit and stating
33 that it is executed by the person after a foreclosure of the
34 association's lien by power of sale and that the person was empowered
35 to make the sale. Signature and title or authority of the person
36 signing the conveyance as grantor and a recital of the facts of
37 nonpayment of the assessment and of the giving of the notices
38 required under this subsection are sufficient proof of the facts
39 recited and of the authority to sign. Further proof of authority is

1 not required even though the association is named as grantee in the
2 conveyance.

3 (e) At any time before the association has conveyed a unit in a
4 cooperative or entered into a contract for its conveyance under the
5 power of sale, the unit owners or the holder of any subordinate
6 security interest may cure the unit owner's default and prevent sale
7 or other conveyance by tendering the performance due under the
8 security agreement, including any amounts due because of exercise of
9 a right to accelerate, plus the reasonable expenses of proceeding to
10 foreclosure incurred to the time of tender, including reasonable
11 attorneys' fees and costs of the creditor.

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

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

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

1 maintainable in any court of competent jurisdiction without
2 foreclosing or waiving the lien securing such sums.

3 (18) The association may from time to time establish reasonable
4 late charges and a rate of interest to be charged, not to exceed the
5 maximum rate calculated under RCW 19.52.020, on all subsequent
6 delinquent assessments or installments of assessments. If the
7 association does not establish such a rate, delinquent assessments
8 bear interest from the date of delinquency at the maximum rate
9 calculated under RCW 19.52.020 on the date on which the assessments
10 became delinquent.

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

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

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

26 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**
27 **FROM THE UNIT OWNERS 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.

36 **SEEKING ASSISTANCE**

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.

14 (b) If, when a delinquent account is referred to an association's
15 attorney, the first preforeclosure notice required under (a) of this
16 subsection has not yet been mailed to the unit owner, the association
17 or the association's attorney shall mail the first preforeclosure
18 notice to the unit owner in order to satisfy the requirement in (a)
19 of this subsection.

20 (c) Mailing the first preforeclosure notice pursuant to (a) of
21 this subsection does not satisfy the requirement in subsection
22 (22)(b) of this section to mail a second preforeclosure notice at or
23 after the date that assessments have become past due for at least 90
24 days. The second preforeclosure notice may not be mailed sooner than
25 60 days after the first preforeclosure notice is mailed.

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

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

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

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

37 (b) At or after the date that assessments have become past due
38 for at least 90 days, but no sooner than 60 days after the first
39 preforeclosure notice required in subsection (21)(a) of this section
40 is mailed, the association has mailed, by first-class mail, to the

1 owner, at the unit address and to any other address which the owner
2 has provided to the association, a second notice of delinquency,
3 which ((shall state as follows:

4 ~~THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS~~
5 ~~FROM THE UNIT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.~~
6 ~~THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING~~
7 ~~YOUR HOME.~~

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

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

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

14 **SEEKING ASSISTANCE**

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

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

21 Telephone: Website:

22 The United States Department of Housing and Urban Development

23 Telephone: Website:

24 The statewide civil legal aid hotline for assistance and
25 referrals to other housing counselors and attorneys

26 Telephone: Website:

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

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

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

1 (~~(22)~~) (23) Every aspect of a collection, foreclosure, sale, or
2 other conveyance under this section, including the method,
3 advertising, time, date, place, and terms, must be commercially
4 reasonable.

5 **Sec. 8.** RCW 64.90.485 and 2021 c 222 s 2 are each amended to
6 read as follows:

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

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

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

15 (b) Except as otherwise provided in subsection (3) of this
16 section, a security interest on the unit recorded before the date on
17 which the unpaid assessment became due or, in a cooperative, a
18 security interest encumbering only the unit owner's interest and
19 perfected before the date on which the unpaid assessment became due;
20 and

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

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

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

35 (ii) The association's actual costs and reasonable attorneys'
36 fees incurred in foreclosing its lien but incurred after the giving
37 of the notice described in (a)(iii) of this subsection; provided,
38 however, that the costs and reasonable attorneys' fees that will have
39 priority under this subsection (3)(a)(ii) shall not exceed (~~the~~

1 ~~thousand dollars~~) \$2,000 or an amount equal to the amounts described
2 in (a)(i) of this subsection, whichever is less;

3 (iii) The amounts described in (a)(ii) of this subsection shall
4 be prior only to the security interest of the holder of a security
5 interest on the unit recorded before the date on which the unpaid
6 assessment became due and only if the association has given that
7 holder not less than (~~sixty~~) 60 days' prior written notice that the
8 owner of the unit is in default in payment of an assessment. The
9 notice shall contain:

10 (A) Name of the borrower;

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

12 (C) Recording information;

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

15 (E) Amount of unpaid assessment; and

16 (F) A statement that failure to, within (~~sixty~~) 60 days of the
17 written notice, submit the association payment of six months of
18 assessments as described in (a)(i) of this subsection will result in
19 the priority of the amounts described in (a)(ii) of this subsection;
20 and

21 (iv) Upon payment of the amounts described in (a)(i) and (ii) of
22 this subsection by the holder of a security interest, the
23 association's lien described in this subsection (3)(a) shall
24 thereafter be fully subordinated to the lien of such holder's
25 security interest on the unit.

26 (b) For the purposes of this subsection:

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

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

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

33 (C) The date of recording of a notice of intention to forfeit in
34 a real estate contract forfeiture proceeding by the vendor under a
35 real estate contract.

36 (ii) "Capital improvements" does not include making, in the
37 ordinary course of management, repairs to common elements or
38 replacements of the common elements with substantially similar items,
39 subject to: (A) Availability of materials and products, (B)

1 prevailing law, or (C) sound engineering and construction standards
2 then prevailing.

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

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

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

16 (6) If the association forecloses its lien under this section
17 nonjudicially pursuant to chapter 61.24 RCW, as provided under
18 subsection (13) of this section, the association is not entitled to
19 the lien priority provided for under subsection (3) of this section,
20 and is subject to the limitations on deficiency judgments as provided
21 in chapter 61.24 RCW.

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

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

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

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

1 (11) The association upon written request must 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 or the priority amount against that unit, or both. The
5 statement must be furnished within (~~fifteen~~) 15 days after receipt
6 of the request and is binding on the association, the board, and
7 every unit owner unless, and to the extent, known by the recipient to
8 be false. The liability of a recipient who reasonably relies upon the
9 statement must not exceed the amount set forth in any statement
10 furnished pursuant to this section or RCW 64.90.640(1)(b).

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

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

17 (a) In a common interest community other than a cooperative, the
18 association's lien may be foreclosed judicially in accordance with
19 chapter 61.12 RCW, subject to any rights of redemption under chapter
20 6.23 RCW.

21 (b) The lien may be enforced nonjudicially in the manner set
22 forth in chapter 61.24 RCW for nonjudicial foreclosure of deeds of
23 trust if the declaration: Contains a grant of the common interest
24 community in trust to a trustee qualified under RCW 61.24.010 to
25 secure the obligations of the unit owners to the association for the
26 payment of assessments, contains a power of sale, provides in its
27 terms that the units are not used principally for agricultural
28 purposes, and provides that the power of sale is operative in the
29 case of a default in the obligation to pay assessments. The
30 association or its authorized representative may purchase the unit at
31 the foreclosure sale and acquire, hold, lease, mortgage, or convey
32 the unit. Upon an express waiver in the complaint of any right to a
33 deficiency judgment in a judicial foreclosure action, the period of
34 redemption is eight months.

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

39 (d) In a cooperative in which the unit owners' interests in the
40 units are personal property, the association's lien must be

1 foreclosed in like manner as a security interest under chapter 62A.9A
2 RCW.

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

5 (a) The association, upon nonpayment of assessments and
6 compliance with this subsection, may sell that unit at a public sale
7 or by private negotiation, and at any time and place. The association
8 must give to the unit owner and any lessee of the unit owner
9 reasonable notice in a record of the time, date, and place of any
10 public sale or, if a private sale is intended, of the intention of
11 entering into a contract to sell and of the time and date after which
12 a private conveyance may be made. Such notice must also be sent to
13 any other person that has a recorded interest in the unit that would
14 be cut off by the sale, but only if the recorded interest was on
15 record seven weeks before the date specified in the notice as the
16 date of any public sale or seven weeks before the date specified in
17 the notice as the date after which a private sale may be made. The
18 notices required under this subsection may be sent to any address
19 reasonable in the circumstances. A sale may not be held until five
20 weeks after the sending of the notice. The association may buy at any
21 public sale and, if the sale is conducted by a fiduciary or other
22 person not related to the association, at a private sale.

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

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

27 (i) The reasonable expenses of sale;

28 (ii) The reasonable expenses of securing possession before sale;
29 the reasonable expenses of holding, maintaining, and preparing the
30 unit for sale, including payment of taxes and other governmental
31 charges and premiums on insurance; and, to the extent provided for by
32 agreement between the association and the unit owner, reasonable
33 attorneys' fees, costs, and other legal expenses incurred by the
34 association;

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

36 (iv) Satisfaction in the order of priority of any subordinate
37 claim of record; and

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

39 (d) A good-faith purchaser for value acquires the unit free of
40 the association's debt that gave rise to the lien under which the

1 foreclosure sale occurred and any subordinate interest, even though
2 the association or other person conducting the sale failed to comply
3 with this section. The person conducting the sale must execute a
4 conveyance to the purchaser sufficient to convey the unit and stating
5 that it is executed by the person after a foreclosure of the
6 association's lien by power of sale and that the person was empowered
7 to make the sale. Signature and title or authority of the person
8 signing the conveyance as grantor and a recital of the facts of
9 nonpayment of the assessment and of the giving of the notices
10 required under this subsection are sufficient proof of the facts
11 recited and of the authority to sign. Further proof of authority is
12 not required even though the association is named as grantee in the
13 conveyance.

14 (e) At any time before the association has conveyed a unit in a
15 cooperative or entered into a contract for its conveyance under the
16 power of sale, the unit owners or the holder of any subordinate
17 security interest may cure the unit owner's default and prevent sale
18 or other conveyance by tendering the performance due under the
19 security agreement, including any amounts due because of exercise of
20 a right to accelerate, plus the reasonable expenses of proceeding to
21 foreclosure incurred to the time of tender, including reasonable
22 attorneys' fees and costs of the creditor.

23 (15) In an action by an association to collect assessments or to
24 foreclose a lien on a unit under this section, the court may appoint
25 a receiver to collect all sums alleged to be due and owing to a unit
26 owner before commencement or during pendency of the action. The
27 receivership is governed under chapter 7.60 RCW. During pendency of
28 the action, the court may order the receiver to pay sums held by the
29 receiver to the association for any assessments against the unit. The
30 exercise of rights under this subsection by the association does not
31 affect the priority of preexisting liens on the unit.

32 (16) Except as provided in subsection (3) of this section, the
33 holder of a mortgage or other purchaser of a unit who obtains the
34 right of possession of the unit through foreclosure is not liable for
35 assessments or installments of assessments that became due prior to
36 such right of possession. Such unpaid assessments are deemed to be
37 common expenses collectible from all the unit owners, including such
38 mortgagee or other purchaser of the unit. Foreclosure of a mortgage
39 does not relieve the prior unit owner of personal liability for

1 assessments accruing against the unit prior to the date of such sale
2 as provided in this subsection.

3 (17) In addition to constituting a lien on the unit, each
4 assessment is the joint and several obligation of the unit owner of
5 the unit to which the same are assessed as of the time the assessment
6 is due. A unit owner may not exempt himself or herself from liability
7 for assessments. In a voluntary conveyance other than by foreclosure,
8 the grantee of a unit is jointly and severally liable with the
9 grantor for all unpaid assessments against the grantor up to the time
10 of the grantor's conveyance, without prejudice to the grantee's right
11 to recover from the grantor the amounts paid by the grantee. Suit to
12 recover a personal judgment for any delinquent assessment is
13 maintainable in any court of competent jurisdiction without
14 foreclosing or waiving the lien securing such sums.

15 (18) The association may from time to time establish reasonable
16 late charges and a rate of interest to be charged, not to exceed the
17 maximum rate calculated under RCW 19.52.020, on all subsequent
18 delinquent assessments or installments of assessments. If the
19 association does not establish such a rate, delinquent assessments
20 bear interest from the date of delinquency at the maximum rate
21 calculated under RCW 19.52.020 on the date on which the assessments
22 became delinquent.

23 (19) The association is entitled to recover any costs and
24 reasonable attorneys' fees incurred in connection with the collection
25 of delinquent assessments, whether or not such collection activities
26 result in a suit being commenced or prosecuted to judgment. The
27 prevailing party is also entitled to recover costs and reasonable
28 attorneys' fees in such suits, including any appeals, if it prevails
29 on appeal and in the enforcement of a judgment.

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

33 (21) (a) When the association mails to the unit owner by first-
34 class mail the first notice of delinquency for past due assessments
35 to the unit address and to any other address that the owner has
36 provided to the association, the association shall include a first
37 preforeclosure notice that states as follows:

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

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

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

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

REFER TO THE CONTACTS BELOW for sources of assistance.

SEEKING ASSISTANCE

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

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

Telephone: Website:

The United States Department of Housing and Urban Development

Telephone: Website:

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

Telephone: Website:

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

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

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

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

1 (a) The unit 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 (21)(a) of this section
13 is mailed, the association has mailed, by first-class mail, to the
14 owner, at the unit 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 UNIT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.~~
19 ~~THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING~~
20 ~~YOUR HOME.~~
21 ~~CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW~~
22 ~~to assess your situation and refer you to mediation if you might~~
23 ~~benefit. DO NOT DELAY.~~
24 ~~BE CAREFUL~~ of people who claim they can help you. There are many
25 individuals and businesses that prey upon borrowers in distress.
26 ~~REFER TO THE CONTACTS BELOW~~ for sources of assistance.

27 **SEEKING ASSISTANCE**

28 Housing counselors and legal assistance may be available at
29 little or no cost to you. If you would like assistance in determining
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 owner pursuant to subsection (21)(a) of this section. The second
6 preforeclosure notice may not be mailed sooner than 60 days after the
7 first preforeclosure notice required in subsection (21)(a) of this
8 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 unit.

13 ~~((22))~~ (23) 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. 9.** 2021 c 222 s 9 (uncodified) is amended to read as
18 follows:

19 Sections 1, 3, 5, and 7 of this act expire January 1, ~~((2024))~~
20 2025.

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

23 Sections 2, 4, 6, and 8 of this act take effect January 1,
24 ~~((2024))~~ 2025.

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

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

--- END ---