By Senator Siplin

19-288-07

1	A bill to be entitled
2	An act relating to condominium associations;
3	amending s. 718.116, F.S.; providing that a
4	lien foreclosure action or an action to recover
5	a money judgment brought as a result of unpaid
6	condominium association assessments may be
7	brought only in instances meeting a monetary
8	threshold; providing that an association is not
9	entitled to recover attorney's fees in
10	foreclosure actions or in actions to recover a
11	money judgment brought as a result of unpaid
12	association assessments; requiring an
13	association to provide 180 days' written notice
14	of its intention to foreclose its lien before
15	foreclosure judgment may be entered; providing
16	an effective date.
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18	Be It Enacted by the Legislature of the State of Florida:
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20	Section 1. Subsection (3), paragraph (b) of subsection
21	(5), and subsections (6) and (8) of section 718.116, Florida
22	Statutes, are amended to read:
23	718.116 Assessments; liability; lien and priority;
24	interest; collection
25	(3) Assessments and installments on them which are not
26	paid when due bear interest at the rate provided in the
27	declaration, from the due date until paid. This rate may not
28	exceed the rate allowed by law, and, if no rate is provided in
29	the declaration, interest shall accrue at the rate of 18
30	percent per year. Also, if the declaration or bylaws so
31	provide, the association may charge an administrative late fee

in addition to such interest, in an amount not to exceed the greater of \$25 or 5 percent of each installment of the assessment for each delinquent installment that the payment is late. Any payment received by an association shall be applied first to any interest accrued by the association, then to any administrative late fee, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent assessment. The foregoing shall be applicable notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment. A late fee shall not be subject to the provisions in chapter 687 or s. 718.303(3).

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(b) To be valid, a claim of lien must state the description of the condominium parcel, the name of the record owner, the name and address of the association, the amount due, and the due dates. It must be executed and acknowledged by an officer or authorized agent of the association. No such lien shall be effective longer than 1 year after the claim of lien was recorded unless, within that time, an action to enforce the lien is commenced. The 1-year period shall automatically be extended for any length of time during which the association is prevented from filing a foreclosure action by an automatic stay resulting from a bankruptcy petition filed by the parcel owner or any other person claiming an interest in the parcel. The claim of lien shall secure all unpaid assessments which are due and which may accrue subsequent to the recording of the claim of lien and prior to the entry of a certificate of title, as well as interest and all reasonable costs and attorney's fees incurred by the association incident to the collection process. Upon payment

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in full, the person making the payment is entitled to a satisfaction of the lien.

(6)(a) The association may bring an action in its name to foreclose a lien for assessments in the manner a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid assessments without waiving any claim of lien. A lien foreclosure action or an action to recover a money judgment brought as a result of unpaid condominium association assessments may be brought only in those instances in which the amount in question equals or exceeds \$2,500. The association is not entitled to recover its reasonable attorney's fees incurred in either a lien foreclosure action or an action to recover a money judgment for unpaid assessments.

(b) No foreclosure judgment may be entered until at least 180 30 days after the association gives written notice to the unit owner of its intention to foreclose its lien to collect the unpaid assessments. If this notice is not given at least 30 days before the foreclosure action is filed, and if the unpaid assessments, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the association shall not recover attorney's fees or costs. The notice must be given by delivery of a copy of it to the unit owner or by certified or registered mail, return receipt requested, addressed to the unit owner at his or her last known address; and, upon such mailing, the notice shall be deemed to have been given, and the court shall proceed with the foreclosure action and may award attorney's fees and costs as permitted by law. The notice requirements of this subsection are satisfied if the unit owner records a notice of contest of lien as provided in

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subsection (5). The notice requirements of this subsection do not apply if an action to foreclose a mortgage on the condominium unit is pending before any court; if the rights of the association would be affected by such foreclosure; and if actual, constructive, or substitute service of process has been made on the unit owner.

- (c) If the unit owner remains in possession of the unit after a foreclosure judgment has been entered, the court, in its discretion, may require the unit owner to pay a reasonable rental for the unit. If the unit is rented or leased during the pendency of the foreclosure action, the association is entitled to the appointment of a receiver to collect the rent. The expenses of the receiver shall be paid by the party which does not prevail in the foreclosure action.
- (d) The association has the power to purchase the condominium parcel at the foreclosure sale and to hold, lease, mortgage, or convey it.
- therefor from a unit owner purchaser, or mortgagee, the association shall provide a certificate signed by an officer or agent of the association stating all assessments and other moneys owed to the association by the unit owner with respect to the condominium parcel. Any person other than the owner who relies upon such certificate shall be protected thereby. A summary proceeding pursuant to s. 51.011 may be brought to compel compliance with this subsection, and in any such action the prevailing party is entitled to recover reasonable attorney's fees. Notwithstanding any limitation on transfer fees contained in s. 718.112(2)(i), the association or its authorized agent may charge a reasonable fee for the preparation of the certificate.

Section 2. This act shall take effect July 1, 2007. SENATE SUMMARY Limits a lien foreclosure or an action to recover a money judgment brought as a result of an unpaid assessment by a condominium association to those instances in which the amount in question equals or exceeds \$2,500. Requires a written notice of 180 days rather than 30 days before entry of a foreclosure judgment. Removes authorization for the association to recover attorney's fees and costs.