

**HB 1482 - H AMD 403**

By Representatives Orwall, Walsh

**ADOPTED 03/08/2021**

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

3 **"Sec. 1.** RCW 64.90.485 and 2019 c 238 s 211 are each amended to  
4 read as follows:

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

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

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

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

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

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

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

1 (ii) The association's actual costs and reasonable attorneys'  
2 fees incurred in foreclosing its lien but incurred after the giving  
3 of the notice described in (a)(iii) of this subsection; provided,  
4 however, that the costs and reasonable attorneys' fees that will have  
5 priority under this subsection (3)(a)(ii) shall not exceed two  
6 thousand dollars or an amount equal to the amounts described in  
7 (a)(i) of this subsection, whichever is less;

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

15 (A) Name of the borrower;

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

17 (C) Recording information;

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

20 (E) Amount of unpaid assessment; and

21 (F) A statement that failure to, within sixty days of the written  
22 notice, submit the association payment of six months of assessments  
23 as described in (a)(i) of this subsection will result in the priority  
24 of the amounts described in (a)(ii) of this subsection; and

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

30 (b) For the purposes of this subsection:

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

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

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

37 (C) The date of recording of a notice of intention to forfeit in  
38 a real estate contract forfeiture proceeding by the vendor under a  
39 real estate contract.

1 (ii) "Capital improvements" does not include making, in the  
2 ordinary course of management, repairs to common elements or  
3 replacements of the common elements with substantially similar items,  
4 subject to: (A) Availability of materials and products, (B)  
5 prevailing law, or (C) sound engineering and construction standards  
6 then prevailing.

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

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

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

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

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

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

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

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

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

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

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

21 (a) In a common interest community other than a cooperative, the  
22 association's lien may be foreclosed judicially in accordance with  
23 chapter 61.12 RCW, subject to any rights of redemption under chapter  
24 6.23 RCW.

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

39 (c) In a cooperative in which the unit owners' interests in the  
40 units are real estate, the association's lien must be foreclosed in

1 like manner as a mortgage on real estate or by power of sale under  
2 (b) of this subsection.

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

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

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

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

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

31 (i) The reasonable expenses of sale;

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

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

1 (iv) Satisfaction in the order of priority of any subordinate  
2 claim of record; and

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

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

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

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

37 (16) Except as provided in subsection (3) of this section, the  
38 holder of a mortgage or other purchaser of a unit who obtains the  
39 right of possession of the unit through foreclosure is not liable for  
40 assessments or installments of assessments that became due prior to

1 such right of possession. Such unpaid assessments are deemed to be  
2 common expenses collectible from all the unit owners, including such  
3 mortgagee or other purchaser of the unit. Foreclosure of a mortgage  
4 does not relieve the prior unit owner of personal liability for  
5 assessments accruing against the unit prior to the date of such sale  
6 as provided in this subsection.

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

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

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

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

37 (21) An association may not commence an action to foreclose a  
38 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 (~~at least three months of common expense~~  
3 ~~assessments~~) the greater of:

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

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

11 (b) At or after the date that assessments have become past due  
12 for at least 90 days, the association has mailed, by first-class  
13 mail, to the owner, at the unit address and to any other address  
14 which the owner has provided to the association, a notice of  
15 delinquency, which shall state as follows:

16 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**  
17 **FROM THE UNIT OWNERS ASSOCIATION TO WHICH YOUR HOME BELONGS.**  
18 **THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING**  
19 **YOUR HOME.**

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

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

26 **SEEKING ASSISTANCE**

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

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

33 Telephone: . . . . . Website: . . . . .

34 The United States Department of Housing and Urban Development

35 Telephone: . . . . . Website: . . . . .

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

38 Telephone: . . . . . Website: . . . . .



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

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

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

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

11 **Sec. 2.** RCW 64.90.485 and 2021 c ... s 1 (section 1 of this act)  
12 are each amended to read as follows:

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

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

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

21 (b) Except as otherwise provided in subsection (3) of this  
22 section, a security interest on the unit recorded before the date on  
23 which the unpaid assessment became due or, in a cooperative, a  
24 security interest encumbering only the unit owner's interest and  
25 perfected before the date on which the unpaid assessment became due;  
26 and

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

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

32 (i) The common expense assessments, excluding any amounts for  
33 capital improvements, based on the periodic budget adopted by the  
34 association pursuant to RCW 64.90.480(1), along with any specially  
35 allocated assessments that are properly assessable against the unit  
36 under such periodic budget, which would have become due in the  
37 absence of acceleration during the six months immediately preceding  
38 the institution of proceedings to foreclose either the association's

1 lien or a security interest described in subsection (2)(b) of this  
2 section;

3 (ii) The association's actual costs and reasonable attorneys'  
4 fees incurred in foreclosing its lien but incurred after the giving  
5 of the notice described in (a)(iii) of this subsection; provided,  
6 however, that the costs and reasonable attorneys' fees that will have  
7 priority under this subsection (3)(a)(ii) shall not exceed two  
8 thousand dollars or an amount equal to the amounts described in  
9 (a)(i) of this subsection, whichever is less;

10 (iii) The amounts described in (a)(ii) of this subsection shall  
11 be prior only to the security interest of the holder of a security  
12 interest on the unit recorded before the date on which the unpaid  
13 assessment became due and only if the association has given that  
14 holder not less than sixty days' prior written notice that the owner  
15 of the unit is in default in payment of an assessment. The notice  
16 shall contain:

17 (A) Name of the borrower;

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

19 (C) Recording information;

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

22 (E) Amount of unpaid assessment; and

23 (F) A statement that failure to, within sixty days of the written  
24 notice, submit the association payment of six months of assessments  
25 as described in (a)(i) of this subsection will result in the priority  
26 of the amounts described in (a)(ii) of this subsection; and

27 (iv) Upon payment of the amounts described in (a)(i) and (ii) of  
28 this subsection by the holder of a security interest, the  
29 association's lien described in this subsection (3)(a) shall  
30 thereafter be fully subordinated to the lien of such holder's  
31 security interest on the unit.

32 (b) For the purposes of this subsection:

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

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

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

1 (C) The date of recording of a notice of intention to forfeit in  
2 a real estate contract forfeiture proceeding by the vendor under a  
3 real estate contract.

4 (ii) "Capital improvements" does not include making, in the  
5 ordinary course of management, repairs to common elements or  
6 replacements of the common elements with substantially similar items,  
7 subject to: (A) Availability of materials and products, (B)  
8 prevailing law, or (C) sound engineering and construction standards  
9 then prevailing.

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

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

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

23 (6) If the association forecloses its lien under this section  
24 nonjudicially pursuant to chapter 61.24 RCW, as provided under  
25 subsection (13) of this section, the association is not entitled to  
26 the lien priority provided for under subsection (3) of this section,  
27 and is subject to the limitations on deficiency judgments as provided  
28 in chapter 61.24 RCW.

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

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

38 (9) A lien for unpaid assessments and the personal liability for  
39 payment of those assessments are extinguished unless proceedings to  
40 enforce the lien or collect the debt are instituted within six years

1 after the full amount of the assessments sought to be recovered  
2 becomes due.

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

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

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

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

23 (a) In a common interest community other than a cooperative, the  
24 association's lien may be foreclosed judicially in accordance with  
25 chapter 61.12 RCW, subject to any rights of redemption under chapter  
26 6.23 RCW.

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

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

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

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

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

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

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

33 (i) The reasonable expenses of sale;

34 (ii) The reasonable expenses of securing possession before sale;  
35 the reasonable expenses of holding, maintaining, and preparing the  
36 unit for sale, including payment of taxes and other governmental  
37 charges and premiums on insurance; and, to the extent provided for by  
38 agreement between the association and the unit owner, reasonable  
39 attorneys' fees, costs, and other legal expenses incurred by the  
40 association;

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

2 (iv) Satisfaction in the order of priority of any subordinate  
3 claim of record; and

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

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

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

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

38 (16) Except as provided in subsection (3) of this section, the  
39 holder of a mortgage or other purchaser of a unit who obtains the  
40 right of possession of the unit through foreclosure is not liable for

1 assessments or installments of assessments that became due prior to  
2 such right of possession. Such unpaid assessments are deemed to be  
3 common expenses collectible from all the unit owners, including such  
4 mortgagee or other purchaser of the unit. Foreclosure of a mortgage  
5 does not relieve the prior unit owner of personal liability for  
6 assessments accruing against the unit prior to the date of such sale  
7 as provided in this subsection.

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

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

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

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

38 (21) An association may not commence an action to foreclose a  
39 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, the association has mailed, by first-class  
12 mail, to the owner, at the unit address and to any other address  
13 which the owner has provided to the association, a notice of  
14 delinquency, 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: . . . . .



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

4 (c) At least (~~180~~) 90 days have elapsed from the date the  
5 minimum amount required in (a) of this subsection has accrued; and

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

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

11 NEW SECTION. **Sec. 3.** Section 1 of this act expires January 1,  
12 2024.

13 NEW SECTION. **Sec. 4.** Section 2 of this act takes effect January  
14 1, 2024.

15 NEW SECTION. **Sec. 5.** Section 1 of this act is necessary for the  
16 immediate preservation of the public peace, health, or safety, or  
17 support of the state government and its existing public institutions,  
18 and takes effect immediately."

19 Correct the title.

EFFECT: Adds the requirement that, prior to commencing an action to foreclose a lien for past due assessments, an association must provide the unit owner a notice of delinquency that must contain specified information. Requires an association to wait at least 180 days from the date the minimum required amount of past due assessments is accrued before commencing an action to foreclose a lien and expires that requirement on January 1, 2024. Provides that, effective January 1, 2024, an association must wait at least 90 days from the date the minimum required amount of past due assessments is accrued before commencing an action to foreclose a lien. Adds an emergency clause.

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