

**1482.E AMS LAW S2290.1**

**EHB 1482** - S COMM AMD

By Committee on Law & Justice

**ADOPTED 04/05/2021**

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 **Sec. 3.** RCW 64.32.200 and 2012 c 117 s 201 are each amended to  
12 read as follows:

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

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

1 owners, shall have power, unless prohibited by the declaration, to  
2 bid on the apartment at foreclosure sale, and to acquire and hold,  
3 lease, mortgage, and convey the same. Upon an express waiver in the  
4 complaint of any right to a deficiency judgment, the period of  
5 redemption shall be eight months after the sale. Suit to recover any  
6 judgment for any unpaid common expenses shall be maintainable without  
7 foreclosing or waiving the liens securing the same.

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

17 (4) An association, or the manager or board of directors on its  
18 behalf, may not commence an action to foreclose a lien on an  
19 apartment under this section unless:

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

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

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

29 (b) At or after the date that assessments have become past due  
30 for at least 90 days, the association has mailed, by first-class  
31 mail, to the owner, at the apartment address and to any other address  
32 which the owner has provided to the association, a notice of  
33 delinquency, which shall state as follows:

34 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**  
35 **FROM THE APARTMENT 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 (c) At least 180 days have elapsed from the date the minimum  
24 amount required in (a) of this subsection has accrued; and

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

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

30 **Sec. 4.** RCW 64.32.200 and 2021 c . . . s 3 (section 3 of this act)  
31 are each amended to read as follows:

32 (1) The declaration may provide for the collection of all sums  
33 assessed by the association of apartment owners for the share of the  
34 common expenses chargeable to any apartment and the collection may be  
35 enforced in any manner provided in the declaration including, but not  
36 limited to, (a) ten days notice shall be given the delinquent  
37 apartment owner to the effect that unless such assessment is paid  
38 within ten days any or all utility services will be forthwith severed

1 and shall remain severed until such assessment is paid, or (b)  
2 collection of such assessment may be made by such lawful method of  
3 enforcement, judicial or extra-judicial, as may be provided in the  
4 declaration and/or bylaws.

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

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

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

39 (a) The apartment owner, at the time the action is commenced,  
40 owes at 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, the association has mailed, by first-class  
10 mail, to the owner, at the apartment address and to any other address  
11 which the owner has provided to the association, a notice of  
12 delinquency, which shall state as follows:

13 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**  
14 **FROM THE APARTMENT OWNERS' 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 (c) At least (~~180~~) 90 days have elapsed from the date the  
2 minimum 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) Every aspect of a collection, foreclosure, sale, or other  
6 conveyance under this section, including the method, advertising,  
7 time, date, place, and terms, must be commercially reasonable.

8 **Sec. 5.** RCW 64.34.364 and 2013 c 23 s 175 are each amended to  
9 read as follows:

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

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

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

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

1 of the delinquency. This subsection does not affect the priority of  
2 mechanics' or material suppliers' liens, or the priority of liens for  
3 other assessments made by the association.

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

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

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

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

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

1 judicial foreclosure action, the period of redemption shall be eight  
2 months. Nothing in this section shall prohibit an association from  
3 taking a deed in lieu of foreclosure.

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

21 (11) 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 shall not be  
24 liable for assessments or installments thereof that became due prior  
25 to such right of possession. Such unpaid assessments shall be deemed  
26 to be common expenses collectible from all the unit owners, including  
27 such mortgagee or other purchaser of the unit. Foreclosure of a  
28 mortgage does not relieve the prior 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 (12) In addition to constituting a lien on the unit, each  
32 assessment shall be the joint and several obligation of the owner or  
33 owners of the unit to which the same are assessed as of the time the  
34 assessment is due. In a voluntary conveyance, the grantee of a unit  
35 shall be jointly and severally liable with the grantor for all unpaid  
36 assessments against the grantor up to the time of the grantor's  
37 conveyance, without prejudice to the grantee's right to recover from  
38 the grantor the amounts paid by the grantee therefor. Suit to recover  
39 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) An association may not commence an action to foreclose a  
28 lien on a unit under this section unless:

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

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

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

38 (b) At or after the date that assessments have become past due  
39 for at least 90 days, the association has mailed, by first-class  
40 mail, to the owner, at the unit address and to any other address

1 which the owner has provided to the association, a notice of  
2 delinquency, which shall state as follows:

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

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

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

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

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19 housing counselors recommended by the Housing Finance Commission

20 Telephone: . . . . . Website: . . . . .

21 The United States Department of Housing and Urban Development

22 Telephone: . . . . . Website: . . . . .

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

25 Telephone: . . . . . Website: . . . . .

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

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

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

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

36 **Sec. 6.** RCW 64.34.364 and 2021 c . . . s 5 (section 5 of this act)  
37 are each amended to read as follows:

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

4 (2) A lien under this section shall be prior to all other liens  
5 and encumbrances on a unit except: (a) Liens and encumbrances  
6 recorded before the recording of the declaration; (b) a mortgage on  
7 the unit recorded before the date on which the assessment sought to  
8 be enforced became delinquent; and (c) liens for real property taxes  
9 and other governmental assessments or charges against the unit. A  
10 lien under this section is not subject to the provisions of chapter  
11 6.13 RCW.

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

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

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

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

4 (7) Recording of the declaration constitutes record notice and  
5 perfection of the lien for assessments. While no further recording of  
6 any claim of lien for assessment under this section shall be required  
7 to perfect the association's lien, the association may record a  
8 notice of claim of lien for assessments under this section in the  
9 real property records of any county in which the condominium is  
10 located. Such recording shall not constitute the written notice of  
11 delinquency to a mortgagee referred to in subsection (2) of this  
12 section.

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

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

36 (10) From the time of commencement of an action by the  
37 association to foreclose a lien for nonpayment of delinquent  
38 assessments against a unit that is not occupied by the owner thereof,  
39 the association shall be entitled to the appointment of a receiver to  
40 collect from the lessee thereof the rent for the unit as and when

1 due. If the rental is not paid, the receiver may obtain possession of  
2 the unit, refurbish it for rental up to a reasonable standard for  
3 rental units in this type of condominium, rent the unit or permit its  
4 rental to others, and apply the rents first to the cost of the  
5 receivership and attorneys' fees thereof, then to the cost of  
6 refurbishing the unit, then to applicable charges, then to costs,  
7 fees, and charges of the foreclosure action, and then to the payment  
8 of the delinquent assessments. Only a receiver may take possession  
9 and collect rents under this subsection, and a receiver shall not be  
10 appointed less than ninety days after the delinquency. The exercise  
11 by the association of the foregoing rights shall not affect the  
12 priority of preexisting liens on the unit.

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

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

34 (13) The association may from time to time establish reasonable  
35 late charges and a rate of interest to be charged on all subsequent  
36 delinquent assessments or installments thereof. In the absence of  
37 another established nonusurious rate, delinquent assessments shall  
38 bear interest from the date of delinquency at the maximum rate  
39 permitted under RCW 19.52.020 on the date on which the assessments  
40 became delinquent.

1 (14) The association shall be entitled to recover any costs and  
2 reasonable attorneys' fees incurred in connection with the collection  
3 of delinquent assessments, whether or not such collection activities  
4 result in suit being commenced or prosecuted to judgment. In  
5 addition, the association shall be entitled to recover costs and  
6 reasonable attorneys' fees if it prevails on appeal and in the  
7 enforcement of a judgment.

8 (15) The association upon written request shall furnish to a unit  
9 owner or a mortgagee a statement signed by an officer or authorized  
10 agent of the association setting forth the amount of unpaid  
11 assessments against that unit. The statement shall be furnished  
12 within fifteen days after receipt of the request and is binding on  
13 the association, the board of directors, and every unit owner, unless  
14 and to the extent known by the recipient to be false.

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

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

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

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

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

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

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

1 **CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW**  
2 to assess your situation and refer you to mediation if you might  
3 benefit. **DO NOT DELAY.**  
4 **BE CAREFUL** of people who claim they can help you. There are many  
5 individuals and businesses that prey upon borrowers in distress.  
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 (c) At least ((180)) 90 days have elapsed from the date the  
24 minimum amount required in (a) of this subsection has accrued; and

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

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

30 NEW SECTION. **Sec. 7.** A new section is added to chapter 64.38  
31 RCW to read as follows:

32 (1) If the governing documents of an association provide for a  
33 lien on the lot of any owner for unpaid assessments, the association  
34 may not commence an action to foreclose the lien unless:

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

37 (i) Three months or more of assessments, not including fines,  
38 late charges, interest, attorneys' fees, or costs incurred by the

1 association in connection with the collection of a delinquent owner's  
2 account; or

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

6 (b) At or after the date that assessments have become past due  
7 for at least 90 days, the association has mailed, by first-class  
8 mail, to the owner, at the lot address and to any other address which  
9 the owner has provided to the association, a notice of delinquency,  
10 which shall state as follows:

11 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**  
12 **FROM THE HOMEOWNERS' 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.

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

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

28 Telephone: . . . . . Website: . . . . .

29 The United States Department of Housing and Urban Development

30 Telephone: . . . . . Website: . . . . .

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

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

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

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



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

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

6 **Sec. 8.** RCW 64.38.--- and 2021 c ... s 7 (section 7 of this act)  
7 are each amended to read as follows:

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

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

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

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

20 (b) At or after the date that assessments have become past due  
21 for at least 90 days, the association has mailed, by first-class  
22 mail, to the owner, at the lot address and to any other address which  
23 the owner has provided to the association, a notice of delinquency,  
24 which shall state as follows:

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

35 **SEEKING ASSISTANCE**

36 Housing counselors and legal assistance may be available at  
37 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 (c) At least (~~180~~) 90 days have elapsed from the date the  
15 minimum amount required in (a) of this subsection has accrued; and

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

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

21 NEW SECTION. **Sec. 9.** Sections 1, 3, 5, and 7 of this act expire  
22 January 1, 2024.

23 NEW SECTION. **Sec. 10.** Sections 2, 4, 6, and 8 of this act take  
24 effect January 1, 2024.

25 NEW SECTION. **Sec. 11.** Sections 1, 3, 5, and 7 of this act are  
26 necessary for the immediate preservation of the public peace, health,  
27 or safety, or support of the state government and its existing public  
28 institutions, and take effect immediately."

**EHB 1482** - S COMM AMD  
By Committee on Law & Justice

**ADOPTED 04/05/2021**

29 On page 1, line 2 of the title, after "communities;" strike the  
30 remainder of the title and insert "amending RCW 64.90.485, 64.90.485,  
31 64.32.200, 64.32.200, 64.34.364, 64.34.364, and 64.38.---; adding a

1 new section to chapter 64.38 RCW; providing an effective date;  
2 providing an expiration date; and declaring an emergency."

EFFECT: Extends foreclosure protections in the bill to homeowners who reside in common interest communities established prior to the effective date of WUCIOA.

--- END ---