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**HOUSE BILL 1636**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Representatives Orwall, Walsh, and Timmons

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

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

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

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

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

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

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

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

31 (4) (a) When the association, or the manager or board of directors  
32 on its behalf, mails to the apartment owner the first notice of  
33 delinquency for past due assessments, the association shall include a  
34 notice that states as follows:

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

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

7 **SEEKING ASSISTANCE**

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

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

14 Telephone: . . . . . Website: . . . . .

15 The United States Department of Housing and Urban Development

16 Telephone: . . . . . Website: . . . . .

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

19 Telephone: . . . . . Website: . . . . .

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

23 (b) Mailing the first notice of delinquency pursuant to (a) of  
24 this subsection does not satisfy the requirement in subsection (5) (b)  
25 of this section to mail a notice of delinquency at or after the date  
26 that assessments have become past due for at least 90 days.

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

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

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

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

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

6 ~~THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS~~  
7 ~~FROM THE APARTMENT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.~~  
8 ~~THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING~~  
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11 ~~to assess your situation and refer you to mediation if you might~~  
12 ~~benefit. DO NOT DELAY.~~

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14 individuals and businesses that prey upon borrowers in distress.  
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26 The statewide civil legal aid hotline for assistance and  
27 referrals to other housing counselors and attorneys

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

29 The association shall obtain the toll-free numbers and website  
30 information from the department of commerce for inclusion in the  
31 notice)) must include the same information as the first notice of  
32 delinquency provided to the apartment owner pursuant to subsection  
33 (4)(a) of this section, but which must be mailed in addition to and  
34 after the first notice of delinquency required in subsection (4)(a)  
35 of this section;

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

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

1       (~~(5)~~) (6) Every aspect of a collection, foreclosure, sale, or  
2 other conveyance under this section, including the method,  
3 advertising, time, date, place, and terms, must be commercially  
4 reasonable.

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

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

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

1 shall be maintainable without foreclosing or waiving the liens  
2 securing the same.

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

12 (4) (a) When the association, or the manager or board of directors  
13 on its behalf, mails to the apartment owner the first notice of  
14 delinquency for past due assessments, the association shall include a  
15 notice that states as follows:

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

26 **SEEKING ASSISTANCE**

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

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

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

34 The United States Department of Housing and Urban Development

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

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

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

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

4 (b) Mailing the first notice of delinquency pursuant to (a) of  
5 this subsection does not satisfy the requirement in subsection (5) (b)  
6 of this section to mail a notice of delinquency at or after the date  
7 that assessments have become past due for at least 90 days.

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

11 (a) The apartment owner, at the time the action is commenced,  
12 owes at 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 apartment address and to any other address  
23 which the owner has provided to the association, a notice of  
24 delinquency, which ~~((shall state as follows:~~

25 ~~**THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**~~  
26 ~~**FROM THE APARTMENT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.**~~  
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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~~  
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~~The association shall obtain the toll-free numbers and website information from the department of commerce for inclusion in the notice)) must include the same information as the first notice of delinquency provided to the apartment owner pursuant to subsection (4)(a) of this section, but which must be mailed in addition to and after the first notice of delinquency required in subsection (4)(a) of this section;~~

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

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

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

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

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

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

(3) Except as provided in subsections (4) and (5) of this section, the lien shall also be prior to the mortgages described in



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

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

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

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

29 (7) Recording of the declaration constitutes record notice and  
30 perfection of the lien for assessments. While no further recording of  
31 any claim of lien for assessment under this section shall be required  
32 to perfect the association's lien, the association may record a  
33 notice of claim of lien for assessments under this section in the  
34 real property records of any county in which the condominium is  
35 located. Such recording shall not constitute the written notice of  
36 delinquency to a mortgagee referred to in subsection (2) of this  
37 section.

38 (8) A lien for unpaid assessments and the personal liability for  
39 payment of assessments is extinguished unless proceedings to enforce

1 the lien or collect the debt are instituted within three years after  
2 the amount of the assessments sought to be recovered becomes due.

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

22 (10) From the time of commencement of an action by the  
23 association to foreclose a lien for nonpayment of delinquent  
24 assessments against a unit that is not occupied by the owner thereof,  
25 the association shall be entitled to the appointment of a receiver to  
26 collect from the lessee thereof the rent for the unit as and when  
27 due. If the rental is not paid, the receiver may obtain possession of  
28 the unit, refurbish it for rental up to a reasonable standard for  
29 rental units in this type of condominium, rent the unit or permit its  
30 rental to others, and apply the rents first to the cost of the  
31 receivership and attorneys' fees thereof, then to the cost of  
32 refurbishing the unit, then to applicable charges, then to costs,  
33 fees, and charges of the foreclosure action, and then to the payment  
34 of the delinquent assessments. Only a receiver may take possession  
35 and collect rents under this subsection, and a receiver shall not be  
36 appointed less than (~~ninety~~) 90 days after the delinquency. The  
37 exercise by the association of the foregoing rights shall not affect  
38 the priority of preexisting liens on the unit.

39 (11) Except as provided in subsection (3) of this section, the  
40 holder of a mortgage or other purchaser of a unit who obtains the

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

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

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

27 (14) The association shall be 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 suit being commenced or prosecuted to judgment. In  
31 addition, the association shall be entitled to recover costs and  
32 reasonable attorneys' fees if it prevails on appeal and in the  
33 enforcement of a judgment.

34 (15) The association upon written request shall furnish to a unit  
35 owner or a mortgagee a statement signed by an officer or authorized  
36 agent of the association setting forth the amount of unpaid  
37 assessments against that unit. The statement shall be furnished  
38 within fifteen days after receipt of the request and is binding on  
39 the association, the board of directors, and every unit owner, unless  
40 and to the extent known by the recipient to be false.

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

4 (17)(a) When the association mails to the unit owner the first  
5 notice of delinquency for past due assessments, the association shall  
6 include a notice that states as follows:

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

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

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

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29 Telephone: . . . . . Website: . . . . .

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

33 (b) Mailing the first notice of delinquency pursuant to (a) of  
34 this subsection does not satisfy the requirement in subsection  
35 (18)(b) of this section to mail a notice of delinquency at or after  
36 the date that assessments have become past due for at least 90 days.

37 (18) 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 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~~  
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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.  
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36 referrals to other housing counselors and attorneys

37 Telephone: . . . . . Website: . . . . .

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

1 notice)) must include the same information as the first notice of  
2 delinquency provided to the unit owner pursuant to subsection (17)(a)  
3 of this section, but which must be mailed in addition to and after  
4 the first notice of delinquency required in subsection (17)(a) of  
5 this section;

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

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

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

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

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

19 (2) A lien under this section shall be prior to all other liens  
20 and encumbrances on a unit except: (a) Liens and encumbrances  
21 recorded before the recording of the declaration; (b) a mortgage on  
22 the unit recorded before the date on which the assessment sought to  
23 be enforced became delinquent; and (c) liens for real property taxes  
24 and other governmental assessments or charges against the unit. A  
25 lien under this section is not subject to the provisions of chapter  
26 6.13 RCW.

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

38 (4) The priority of the association's lien against units  
39 encumbered by a mortgage held by an eligible mortgagee or by a

1 mortgagee which has given the association a written request for a  
2 notice of delinquent assessments shall be reduced by up to three  
3 months if and to the extent that the lien priority under subsection  
4 (3) of this section includes delinquencies which relate to a period  
5 after such holder becomes an eligible mortgagee or has given such  
6 notice and before the association gives the holder a written notice  
7 of the delinquency. This subsection does not affect the priority of  
8 mechanics' or material suppliers' liens, or the priority of liens for  
9 other assessments made by the association.

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

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

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

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

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

1 and (d) provides that the power of sale is operative in the case of a  
2 default in the obligation to pay assessments. The association or its  
3 authorized representative shall have the power, unless prohibited by  
4 the declaration, to purchase the unit at the foreclosure sale and to  
5 acquire, hold, lease, mortgage, or convey the same. Upon an express  
6 waiver in the complaint of any right to a deficiency judgment in a  
7 judicial foreclosure action, the period of redemption shall be eight  
8 months. Nothing in this section shall prohibit an association from  
9 taking a deed in lieu of foreclosure.

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

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

37 (12) In addition to constituting a lien on the unit, each  
38 assessment shall be the joint and several obligation of the owner or  
39 owners of the unit to which the same are assessed as of the time the  
40 assessment is due. In a voluntary conveyance, the grantee of a unit



1 shall be jointly and severally liable with the grantor for all unpaid  
2 assessments against the grantor up to the time of the grantor's  
3 conveyance, without prejudice to the grantee's right to recover from  
4 the grantor the amounts paid by the grantee therefor. Suit to recover  
5 a personal judgment for any delinquent assessment shall be  
6 maintainable in any court of competent jurisdiction without  
7 foreclosing or waiving the lien securing such sums.

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

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

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

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

32 (17) (a) When the association mails to the unit owner the first  
33 notice of delinquency for past due assessments, the association shall  
34 include a notice that states as follows:

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

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

7 **SEEKING ASSISTANCE**

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

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

14 Telephone: . . . . . Website: . . . . .

15 The United States Department of Housing and Urban Development

16 Telephone: . . . . . Website: . . . . .

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

19 Telephone: . . . . . Website: . . . . .

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

23 (b) Mailing the first notice of delinquency pursuant to (a) of  
24 this subsection does not satisfy the requirement in subsection  
25 (18)(b) of this section to mail a notice of delinquency at or after  
26 the date that assessments have become past due for at least 90 days.

27 (18) 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

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

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

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

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

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

14 **SEEKING ASSISTANCE**

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

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

21 Telephone: . . . . . Website: . . . . .

22 The United States Department of Housing and Urban Development

23 Telephone: . . . . . Website: . . . . .

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

26 Telephone: . . . . . Website: . . . . .

27 The association shall obtain the toll-free numbers and website  
28 information from the department of commerce for inclusion in the  
29 notice)) must include the same information as the first notice of  
30 delinquency provided to the unit owner pursuant to subsection (17)(a)  
31 of this section, but which must be mailed in addition to and after  
32 the first notice of delinquency required in subsection (17)(a) of  
33 this section;

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

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

38 ((18)) (19) Every aspect of a collection, foreclosure, sale, or  
39 other conveyance under this section, including the method,

1 advertising, time, date, place, and terms, must be commercially  
2 reasonable.

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

5 (1)(a) If the governing documents of an association provide for a  
6 lien on the lot of any owner for unpaid assessments, the association  
7 shall include the following notice when mailing to the lot owner the  
8 first notice of delinquency:

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

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

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

26 Telephone: . . . . . Website: . . . . .

27 The United States Department of Housing and Urban Development

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

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

31 Telephone: . . . . . Website: . . . . .

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

35 (b) Mailing the first notice of delinquency pursuant to (a) of  
36 this subsection does not satisfy the requirement in subsection (2)(b)

1 of this section to mail a notice of delinquency at or after the date  
2 that assessments have become past due for at least 90 days.

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

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

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

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

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

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

30 **SEEKING ASSISTANCE**

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

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

37 ~~Telephone: . . . . . Website: . . . . .~~

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

39 ~~Telephone: . . . . . Website: . . . . .~~

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

3       Telephone: . . . . . Website: . . . . .

4       ~~The association shall obtain the toll-free numbers and website~~  
5 ~~information from the department of commerce for inclusion in the~~  
6 notice)) must include the same information as the first notice of  
7 delinquency provided to the lot owner pursuant to subsection (1)(a)  
8 of this section, but which must be mailed in addition to and after  
9 the first notice of delinquency required in subsection (1)(a) of this  
10 section;

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

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

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

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

21       (1)(a) If the governing documents of an association provide for a  
22 lien on the lot of any owner for unpaid assessments, the association  
23 shall include the following notice when mailing to the lot owner the  
24 first notice of delinquency:

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 (b) Mailing the first notice of delinquency pursuant to (a) of  
15 this subsection does not satisfy the requirement in subsection (2) (b)  
16 of this section to mail a notice of delinquency at or after the date  
17 that assessments have become past due for at least 90 days.

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

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

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

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

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

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

1 ~~CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW~~  
2 ~~to assess your situation and refer you to mediation if you might~~  
3 ~~benefit. DO NOT DELAY.~~  
4 ~~BE CAREFUL~~ of people who claim they can help you. There are many  
5 individuals and businesses that prey upon borrowers in distress.  
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)) must include the same information as the first notice of  
23 delinquency provided to the lot owner pursuant to subsection (1)(a)  
24 of this section, but which must be mailed in addition to and after  
25 the first notice of delinquency required in subsection (1)(a) of this  
26 section;

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

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

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

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



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

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

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

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

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

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

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

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

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

1 owner of the unit is in default in payment of an assessment. The  
2 notice shall contain:

- 3 (A) Name of the borrower;
- 4 (B) Recording date of the trust deed or mortgage;
- 5 (C) Recording information;
- 6 (D) Name of condominium, unit owner, and unit designation stated  
7 in the declaration or applicable supplemental declaration;

8 (E) Amount of unpaid assessment; and  
9 (F) A statement that failure to, within (~~sixty~~) 60 days of the  
10 written notice, submit the association payment of six months of  
11 assessments as described in (a)(i) of this subsection will result in  
12 the priority of the amounts described in (a)(ii) of this subsection;  
13 and

14 (iv) Upon payment of the amounts described in (a)(i) and (ii) of  
15 this subsection by the holder of a security interest, the  
16 association's lien described in this subsection (3)(a) shall  
17 thereafter be fully subordinated to the lien of such holder's  
18 security interest on the unit.

19 (b) For the purposes of this subsection:

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

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

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

26 (C) The date of recording of a notice of intention to forfeit in  
27 a real estate contract forfeiture proceeding by the vendor under a  
28 real estate contract.

29 (ii) "Capital improvements" does not include making, in the  
30 ordinary course of management, repairs to common elements or  
31 replacements of the common elements with substantially similar items,  
32 subject to: (A) Availability of materials and products, (B)  
33 prevailing law, or (C) sound engineering and construction standards  
34 then prevailing.

35 (c) The adoption of a periodic budget that purports to allocate  
36 to a unit any fines, late charges, interest, attorneys' fees and  
37 costs incurred for services unrelated to the foreclosure of the  
38 association's lien, other collection charges, or specially allocated  
39 assessments assessed under RCW 64.90.480 (6) or (7) does not cause

1 any such items to be included in the priority amount affecting such  
2 unit.

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

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

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

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

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

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

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

33 (11) The association upon written request must furnish to a unit  
34 owner or a mortgagee a statement signed by an officer or authorized  
35 agent of the association setting forth the amount of unpaid  
36 assessments or the priority amount against that unit, or both. The  
37 statement must be furnished within (~~fifteen~~) 15 days after receipt  
38 of the request and is binding on the association, the board, and  
39 every unit owner unless, and to the extent, known by the recipient to  
40 be false. The liability of a recipient who reasonably relies upon the

1 statement must not exceed the amount set forth in any statement  
2 furnished pursuant to this section or RCW 64.90.640(1)(b).

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

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

9 (a) In a common interest community other than a cooperative, the  
10 association's lien may be foreclosed judicially in accordance with  
11 chapter 61.12 RCW, subject to any rights of redemption under chapter  
12 6.23 RCW.

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

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

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

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

37 (a) The association, upon nonpayment of assessments and  
38 compliance with this subsection, may sell that unit at a public sale  
39 or by private negotiation, and at any time and place. The association  
40 must give to the unit owner and any lessee of the unit owner

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

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

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

19 (i) The reasonable expenses of sale;

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

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

28 (iv) Satisfaction in the order of priority of any subordinate  
29 claim of record; and

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

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

1 nonpayment of the assessment and of the giving of the notices  
2 required under this subsection are sufficient proof of the facts  
3 recited and of the authority to sign. Further proof of authority is  
4 not required even though the association is named as grantee in the  
5 conveyance.

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

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

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

34 (17) In addition to constituting a lien on the unit, each  
35 assessment is the joint and several obligation of the unit owner of  
36 the unit to which the same are assessed as of the time the assessment  
37 is due. A unit owner may not exempt himself or herself from liability  
38 for assessments. In a voluntary conveyance other than by foreclosure,  
39 the grantee of a unit is jointly and severally liable with the  
40 grantor for all unpaid assessments against the grantor up to the time

1 of the grantor's conveyance, without prejudice to the grantee's right  
2 to recover from the grantor the amounts paid by the grantee. Suit to  
3 recover a personal judgment for any delinquent assessment is  
4 maintainable in any court of competent jurisdiction without  
5 foreclosing or waiving the lien securing such sums.

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

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

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

24 (21)(a) When the association mails to the unit owner the first  
25 notice of delinquency for past due assessments, the association shall  
26 include a notice that states as follows:

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

37 **SEEKING ASSISTANCE**

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

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

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

5 Telephone: . . . . . Website: . . . . .

6 The United States Department of Housing and Urban Development

7 Telephone: . . . . . Website: . . . . .

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

10 Telephone: . . . . . Website: . . . . .

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

14 (b) Mailing the first notice of delinquency pursuant to (a) of  
15 this subsection does not satisfy the requirement in subsection  
16 (22)(b) of this section to mail a notice of delinquency at or after  
17 the date that assessments have become past due for at least 90 days.

18 (22) 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)) must include the same information as the first notice of  
23 delinquency provided to the owner pursuant to subsection (21)(a) of  
24 this section, but which must be mailed in addition to and after the  
25 first notice of delinquency required in subsection (21)(a) of this  
26 section;

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

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

31 ((22)) (23) Every aspect of a collection, foreclosure, sale, or  
32 other conveyance under this section, including the method,  
33 advertising, time, date, place, and terms, must be commercially  
34 reasonable.

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

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

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

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

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

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

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

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

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

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

1 owner of the unit is in default in payment of an assessment. The  
2 notice shall contain:

3 (A) Name of the borrower;

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

5 (C) Recording information;

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

8 (E) Amount of unpaid assessment; and

9 (F) A statement that failure to, within (~~sixty~~) 60 days of the  
10 written notice, submit the association payment of six months of  
11 assessments as described in (a)(i) of this subsection will result in  
12 the priority of the amounts described in (a)(ii) of this subsection;  
13 and

14 (iv) Upon payment of the amounts described in (a)(i) and (ii) of  
15 this subsection by the holder of a security interest, the  
16 association's lien described in this subsection (3)(a) shall  
17 thereafter be fully subordinated to the lien of such holder's  
18 security interest on the unit.

19 (b) For the purposes of this subsection:

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

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

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

26 (C) The date of recording of a notice of intention to forfeit in  
27 a real estate contract forfeiture proceeding by the vendor under a  
28 real estate contract.

29 (ii) "Capital improvements" does not include making, in the  
30 ordinary course of management, repairs to common elements or  
31 replacements of the common elements with substantially similar items,  
32 subject to: (A) Availability of materials and products, (B)  
33 prevailing law, or (C) sound engineering and construction standards  
34 then prevailing.

35 (c) The adoption of a periodic budget that purports to allocate  
36 to a unit any fines, late charges, interest, attorneys' fees and  
37 costs incurred for services unrelated to the foreclosure of the  
38 association's lien, other collection charges, or specially allocated  
39 assessments assessed under RCW 64.90.480 (6) or (7) does not cause

1 any such items to be included in the priority amount affecting such  
2 unit.

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

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

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

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

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

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

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

33 (11) The association upon written request must furnish to a unit  
34 owner or a mortgagee a statement signed by an officer or authorized  
35 agent of the association setting forth the amount of unpaid  
36 assessments or the priority amount against that unit, or both. The  
37 statement must be furnished within (~~fifteen~~) 15 days after receipt  
38 of the request and is binding on the association, the board, and  
39 every unit owner unless, and to the extent, known by the recipient to  
40 be false. The liability of a recipient who reasonably relies upon the

1 statement must not exceed the amount set forth in any statement  
2 furnished pursuant to this section or RCW 64.90.640(1)(b).

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

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

9 (a) In a common interest community other than a cooperative, the  
10 association's lien may be foreclosed judicially in accordance with  
11 chapter 61.12 RCW, subject to any rights of redemption under chapter  
12 6.23 RCW.

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

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

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

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

37 (a) The association, upon nonpayment of assessments and  
38 compliance with this subsection, may sell that unit at a public sale  
39 or by private negotiation, and at any time and place. The association  
40 must give to the unit owner and any lessee of the unit owner

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

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

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

19 (i) The reasonable expenses of sale;

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

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

28 (iv) Satisfaction in the order of priority of any subordinate  
29 claim of record; and

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

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

1 nonpayment of the assessment and of the giving of the notices  
2 required under this subsection are sufficient proof of the facts  
3 recited and of the authority to sign. Further proof of authority is  
4 not required even though the association is named as grantee in the  
5 conveyance.

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

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

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

34 (17) In addition to constituting a lien on the unit, each  
35 assessment is the joint and several obligation of the unit owner of  
36 the unit to which the same are assessed as of the time the assessment  
37 is due. A unit owner may not exempt himself or herself from liability  
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39 the grantee of a unit is jointly and severally liable with the  
40 grantor for all unpaid assessments against the grantor up to the time

1 of the grantor's conveyance, without prejudice to the grantee's right  
2 to recover from the grantor the amounts paid by the grantee. Suit to  
3 recover a personal judgment for any delinquent assessment is  
4 maintainable in any court of competent jurisdiction without  
5 foreclosing or waiving the lien securing such sums.

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

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

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

24 (21)(a) When the association mails to the unit owner the first  
25 notice of delinquency for past due assessments, the association shall  
26 include a notice that states as follows:

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

37 **SEEKING ASSISTANCE**

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



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

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

5 Telephone: . . . . . Website: . . . . .

6 The United States Department of Housing and Urban Development

7 Telephone: . . . . . Website: . . . . .

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

10 Telephone: . . . . . Website: . . . . .

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

14 (b) Mailing the first notice of delinquency pursuant to (a) of  
15 this subsection does not satisfy the requirement in subsection  
16 (22)(b) of this section to mail a notice of delinquency at or after  
17 the date that assessments have become past due for at least 90 days.

18 (22) 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)) must include the same information as the first notice of  
23 delinquency provided to the owner pursuant to subsection (21)(a) of  
24 this section, but which must be mailed in addition to and after the  
25 first notice of delinquency required in subsection (21)(a) of this  
26 section;

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

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

31 ((22)) (23) Every aspect of a collection, foreclosure, sale, or  
32 other conveyance under this section, including the method,  
33 advertising, time, date, place, and terms, must be commercially  
34 reasonable.

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

37 Sections 1, 3, 5, and 7 of this act expire January 1, ((2024))  
38 2025.

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

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

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

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

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