

**ADOPTED REGULATION OF THE
COMMISSION FOR COMMON-INTEREST
COMMUNITIES AND CONDOMINIUM HOTELS**

LCB File No. R199-09

Effective May 5, 2011

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §1, NRS 116.310313.

A REGULATION relating to common-interest communities; establishing provisions concerning fees charged by an association or a person acting on behalf of an association to cover the costs of collecting a past due obligation of a unit's owner; and providing other matters properly relating thereto.

Section 1. Chapter 116 of NAC is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 5, to cover the costs of collecting any past due obligation of a unit's owner, an association or a person acting on behalf of an association to collect a past due obligation of a unit's owner may not charge the unit's owner fees in connection with a notice of delinquent assessment pursuant to paragraph (a) of subsection 1 of NRS 116.31162 which exceed a total of \$1,950, plus the costs and fees described in subsections 3 and 4.

2. An association or a person acting on behalf of an association to collect a past due obligation of a unit's owner may not charge the unit's owner fees in connection with a notice

of delinquent assessment pursuant to paragraph (a) of subsection 1 of NRS 116.31162 which exceed the following amounts:

<i>(a) Demand or intent to lien letter</i>	<i>\$150</i>
<i>(b) Notice of delinquent assessment lien</i>	<i>325</i>
<i>(c) Intent to notice of default letter</i>	<i>90</i>
<i>(d) Notice of default.....</i>	<i>400</i>
<i>(e) Intent to notice of sale letter</i>	<i>90</i>
<i>(f) Notice of sale.....</i>	<i>275</i>
<i>(g) Intent to conduct foreclosure sale</i>	<i>25</i>
<i>(h) Conduct foreclosure sale</i>	<i>125</i>
<i>(i) Prepare and record transfer deed.....</i>	<i>125</i>
<i>(j) Payment plan agreement - One-time set-up fee.....</i>	<i>30</i>
<i>(k) Payment plan breach letter.....</i>	<i>25</i>
<i>(l) Release of notice of delinquent assessment lien.....</i>	<i>30</i>
<i>(m) Notice of rescission fee</i>	<i>30</i>
<i>(n) Bankruptcy package preparation and monitoring</i>	<i>100</i>
<i>(o) Mailing fee per piece for demand or intent to lien letter, notice of delinquent assessment lien, notice of default and notice of sale.....</i>	<i>2</i>
<i>(p) Insufficient funds fee.....</i>	<i>20</i>
<i>(q) Escrow payoff demand fee.....</i>	<i>150</i>
<i>(r) Substitution of agent document fee</i>	<i>25</i>

(s) Postponement fee..... 75

(t) Foreclosure fee 150

3. If, in connection with an activity described in subsection 2, any costs are charged to an association or a person acting on behalf of an association to collect a past due obligation by a person who is not an officer, director, agent or affiliate of the community manager of the association or of an agent of the association, including, without limitation, the cost of a trustee’s sale guarantee and other title costs, recording costs, posting and publishing costs, sale costs, mailing costs, express delivery costs and skip trace fees, the association or person acting on behalf of an association may recover from the unit’s owner the actual costs incurred without any increase or markup.

4. If an association or a person acting on behalf of an association is attempting to collect a past due obligation from a unit’s owner, the association or person acting on behalf of an association may recover from the unit’s owner:

- (a) Reasonable management company fees which may not exceed a total of \$200; and*
- (b) Reasonable attorney’s fees and actual costs, without any increase or markup, incurred by the association for any legal services which do not include an activity described in subsection 2.*

5. If an association or a person acting on behalf of an association to collect a past due obligation of a unit’s owner is engaging in the activities set forth in NRS 116.31162 to 116.31168, inclusive, with respect to more than 25 units owned by the same unit’s owner, the association or person acting on behalf of an association may not charge the unit’s owner fees

to cover the costs of collecting a past due obligation which exceed a total of \$1,950 multiplied by the number of units for which such activities are occurring, as reduced by an amount set forth in a resolution adopted by the executive board, plus the costs and fees described in subsections 3 and 4.

6. For a one-time period of 15 business days immediately following a request for a payoff amount from the unit's owner or his or her agent, no fee to cover the cost of collecting a past due obligation may be charged to the unit's owner, except for the fee described in paragraph (q) of subsection 2 and any other fee to cover any cost of collecting a past due obligation which is imposed because of an action required by statute to be taken within that 15-day period.

7. As used in this section, "affiliate of the community manager of the association or of an agent of the association" means any person who controls, is controlled by or is under common control with a community manager or such agent. For the purposes of this subsection:

(a) A person "controls" a community manager or agent if the person:

(1) Is a general partner, officer, director or employer of the community manager or agent;

(2) Directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote or holds proxies representing, more than 20 percent of the voting interest in the community manager or agent;

(3) Controls in any manner the election of a majority of the directors of the community manager or agent; or

(4) Has contributed more than 20 percent of the capital of the community manager or its agent.

(b) A person “is controlled by” a community manager or agent if the community manager or agent:

(1) Is a general partner, officer, director or employer of the person;

(2) Directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote or holds proxies representing, more than 20 percent of the voting interest in the person;

(3) Controls in any manner the election of a majority of the directors of the person; or

(4) Has contributed more than 20 percent of the capital of the person.

(c) Control does not exist if the powers described in this subsection are held solely as security for an obligation and are not exercised.