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Aspen National Collections

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**Aspen National Account Rep David Combs Addresses HOA & Resort Management Concerns – Part I**

In a series of bulletins, collection professionals Buzz Waloch and David Combs of Aspen National Collections, the timeshare industry’s premier collection agency, have been sharing advice and tips to help timeshare resort operators protect their portfolio of installment receivables and/or annual maintenance fees. If you missed their prior bulletins, you can download them at [www.AspenNational.com](http://www.AspenNational.com). Here, now, is the fourth in our series:

**Bulletin #4: HOA Concerns**

A recent gathering of timeshare homeowners and HOA board members identified one of their principle concerns to be the rising delinquency rate of annual maintenance fees. Contributing to this increase is the proliferation of transfer companies (also known as relief or postcard companies) who offer to “take

your timeshare off your hands” for a fee, but then fail to find new owners and, instead of paying maintenance fees, place the deed in the name of a non performing LLC or a fictitious individual then allow the week to go delinquent. Aspen National Collections’ David Combs attended the meeting, reporting on the various discussions. Combs made several observations, including the following:

1. Dues paying owners are more often the targets for "nefarious post card" companies than delinquent owners. Naturally, HOA boards and management companies are often reluctant to take back deeds from owners who are current in their maintenance fee payments. However with the advance of these transfer companies, resort operators must be proactive in responding to the needs of dues-paying owners who no longer desire to retain their ownership.
2. At Aspen, we recommend communicating with your owner base about these companies in all correspondence dispersed by you, whether through your newsletter or web site. Make owners aware of these types of companies, the negative affect they have on the resort over the long run and if they have been approached by them to let the resort know. This will make the HOA board aware of which companies may be approaching their owners and the techniques they are attempting to employ. The HOA board should also have at its disposal a standard policy on the ability to negotiate some sort of buy-out arrangement with the owner. If that is not possible, there should at the very least be a policy in place to review buyouts on a case-by-case basis.
3. Be aware that your dues-paying owners may come to feel like sacrificial lambs. Because they continue to be current, they may become saddled with the additional financial burden of a special assessment partially caused by non-paying owners. They will eventually be contacted by post card companies asking them why should they have the burden of a maintenance fee payment when others aren’t paying. So, ensure your dues paying owners that all measures are being taken to resolve debt issues. Several HOA members in attendance at the meeting indicated that they publish collection policies in their owner newsletters explaining how unpaid dues can have a negative effect on their credit history. They include mentioning how many days of delinquency it takes before their account will be sent to collections.
4. Continual communication with delinquent owners is essential. The consensus was to ‘Peel back the onion’ to determine the root cause of non-payment: Is it a customer service or an economic issue? If economic, is it a short term or long term problem? If unresolvable or your owner is unresponsive, enlist the assistance of a collection agency. They are the professionals.
5. Communicating written timelines showing owners what adverse steps occur upon delinquency should be followed up by strictly adhering to your resort’s policy. Once the internal and external collection processes have been exhausted, as difficult as it seems, the HOA should have a viable solution to assist those whose only choice is to no longer be an owner/member. These solutions range from arranging a settlement where the owner can pay a lump sum payment – all or a portion of the past due maintenance fees, for example – to obtain a deed-in-leiu (DIL) or finally, foreclosure. Get to your owners before the "nefarious" post card companies do!

If this topic is of interest to you, please consider signing up for future bulletins at [AspenNational.com](http://aspennational.com/collections/). You may also download previous bulletins from the site. If you have any questions, please contact Buzz Waloch (Buzz@AspenNational.com) at 888-855-5333, 760-840-9678 or David Combs (DCombs@AspenNational.com) at 800-283-2797, 970-250-6592.

**About Aspen National Collections**

Aspen National Collections is a national agency with specialized expertise in consumer debt collections for companies involved in timeshare or vacation ownership resorts. Professional collectors are carefully trained in reminding owners/members of the value of their vacation purchase. They are skilled at performing their work in a firm, assertive manner, while adhering to Aspen National’s commitment to high ethical standards. Aspen customizes collection programs to fit the resort’s needs and prides itself on working every account to the fullest. For more information, contact Buzz Waloch at 1-888-855-5333, (760) 840-9678, [buzz@aspennational.com](mailto:buzz@aspennational.com) or David Combs at 1-800-283-2797, 1-970-250-6592, [dcombs@aspennational.com](mailto:dcombs@aspennational.com). Visit [AspenNational.com](http://aspennational.com/collections/) for more information and to subscribe to the series, “Aspen Tips for Better Portfolio Management.”

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