
ENGROSSED HOUSE BILL 1636

AS AMENDED BY THE SENATE

Passed Legislature - 2023 Regular Session

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 by first-class mail the
33 first notice of delinquency for past due assessments to the apartment
34 address and to any other address that the owner has provided to the
35 association, the association shall include a first preforeclosure
36 notice that states as follows:

37 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**
38 **FROM THE APARTMENT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.**

1 THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING
2 YOUR HOME.

3 CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW
4 to assess your situation and refer you to mediation if you might
5 benefit. DO NOT DELAY.

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

8 REFER TO THE CONTACTS BELOW for sources of assistance.

9 SEEKING ASSISTANCE

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

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

16 Telephone: Website:

17 The United States Department of Housing and Urban Development

18 Telephone: Website:

19 The statewide civil legal aid hotline for assistance and
20 referrals to other housing counselors and attorneys

21 Telephone: Website:

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

25 (b) If, when a delinquent account is referred to an association's
26 attorney, the first preforeclosure notice required under (a) of this
27 subsection has not yet been mailed to the apartment owner, the
28 association or the association's attorney shall mail the first
29 preforeclosure notice to the apartment owner in order to satisfy the
30 requirement in (a) of this subsection.

31 (c) Mailing the first preforeclosure notice pursuant to (a) of
32 this subsection does not satisfy the requirement in subsection (5)(b)
33 of this section to mail a second preforeclosure notice at or after
34 the date that assessments have become past due for at least 90 days.
35 The second preforeclosure notice may not be mailed sooner than 60
36 days after the first preforeclosure notice is mailed.

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

1 (a) The apartment owner, at the time the action is commenced,
2 owes at 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~~)) \$2,000 of assessments, not including fines, late
8 charges, interest, attorneys' fees, or costs incurred by the
9 association in connection with the collection of a delinquent owner's
10 account;

11 (b) At or after the date that assessments have become past due
12 for at least 90 days, but no sooner than 60 days after the first
13 preforeclosure notice required in subsection (4)(a) of this section
14 is mailed, the association has mailed, by first-class mail, to the
15 owner, at the apartment address and to any other address which the
16 owner has provided to the association, a second notice of
17 delinquency, which ((shall state as follows:

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

28 **SEEKING ASSISTANCE**

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

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

35 Telephone: Website:

36 The United States Department of Housing and Urban Development

37 Telephone: Website:

38 The statewide civil legal aid hotline for assistance and
39 referrals to other housing counselors and attorneys

1 Telephone: Website:

2 ~~The association shall obtain the toll-free numbers and website~~
3 ~~information from the department of commerce for inclusion in the~~
4 ~~notice))~~ must include a second preforeclosure notice that contains
5 the same information as the first preforeclosure notice provided to
6 the apartment owner pursuant to subsection (4)(a) of this section.
7 The second preforeclosure notice may not be mailed sooner than 60
8 days after the first preforeclosure notice required in subsection
9 (4)(a) of this section is mailed;

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

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

14 ~~((5))~~ (6) Every aspect of a collection, foreclosure, sale, or
15 other conveyance under this section, including the method,
16 advertising, time, date, place, and terms, must be commercially
17 reasonable.

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

20 (1) The declaration may provide for the collection of all sums
21 assessed by the association of apartment owners for the share of the
22 common expenses chargeable to any apartment and the collection may be
23 enforced in any manner provided in the declaration including, but not
24 limited to, (a) ~~((ten))~~ 10 days notice shall be given the delinquent
25 apartment owner to the effect that unless such assessment is paid
26 within ~~((ten))~~ 10 days any or all utility services will be forthwith
27 severed and shall remain severed until such assessment is paid, or
28 (b) collection of such assessment may be made by such lawful method
29 of enforcement, judicial or extra-judicial, as may be provided in the
30 declaration and/or bylaws.

31 (2) All sums assessed by the association of apartment owners but
32 unpaid for the share of the common expenses chargeable to any
33 apartment shall constitute a lien on such apartment prior to all
34 other liens except only (a) tax liens on the apartment in favor of
35 any assessing unit and/or special district, and (b) all sums unpaid
36 on all mortgages of record. Such lien is not subject to the ban
37 against execution or forced sales of homesteads under RCW 6.13.080
38 and, subject to the provisions in subsection ~~((4))~~ (5) of this

1 section, may be foreclosed by suit by the manager or board of
2 directors, acting on behalf of the apartment owners, in like manner
3 as a mortgage of real property. In any such foreclosure the apartment
4 owner shall be required to pay a reasonable rental for the apartment,
5 if so provided in the bylaws, and the plaintiff in such foreclosures
6 shall be entitled to the appointment of a receiver to collect the
7 same. The manager or board of directors, acting on behalf of the
8 apartment owners, shall have power, unless prohibited by the
9 declaration, to bid on the apartment at foreclosure sale, and to
10 acquire and hold, lease, mortgage, and convey the same. Upon an
11 express waiver in the complaint of any right to a deficiency
12 judgment, the period of redemption shall be eight months after the
13 sale. Suit to recover any judgment for any unpaid common expenses
14 shall be maintainable without foreclosing or waiving the liens
15 securing the same.

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

25 (4) (a) When the association, or the manager or board of directors
26 on its behalf, mails to the apartment owner by first-class mail the
27 first notice of delinquency for past due assessments to the apartment
28 address and to any other address that the owner has provided to the
29 association, the association shall include a first preforeclosure
30 notice that states as follows:

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

1 REFER TO THE CONTACTS BELOW for sources of assistance.

2 **SEEKING ASSISTANCE**

3 Housing counselors and legal assistance may be available at
4 little or no cost to you. If you would like assistance in determining
5 your rights and opportunities to keep your house, you may contact the
6 following:

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

9 Telephone: Website:

10 The United States Department of Housing and Urban Development

11 Telephone: Website:

12 The statewide civil legal aid hotline for assistance and
13 referrals to other housing counselors and attorneys

14 Telephone: Website:

15 The association shall obtain the toll-free numbers and website
16 information from the department of commerce for inclusion in the
17 notice.

18 (b) If, when a delinquent account is referred to an association's
19 attorney, the first preforeclosure notice required under (a) of this
20 subsection has not yet been mailed to the apartment owner, the
21 association or the association's attorney shall mail the first
22 preforeclosure notice to the apartment owner in order to satisfy the
23 requirement in (a) of this subsection.

24 (c) Mailing the first preforeclosure notice pursuant to (a) of
25 this subsection does not satisfy the requirement in subsection (5)(b)
26 of this section to mail a second preforeclosure notice at or after
27 the date that assessments have become past due for at least 90 days.
28 The second preforeclosure notice may not be mailed sooner than 60
29 days after the first preforeclosure notice is mailed.

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

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

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

1 (ii) ((~~\$200~~)) \$2,000 of assessments, not including fines, late
2 charges, interest, attorneys' fees, or costs incurred by the
3 association in connection with the collection of a delinquent owner's
4 account;

5 (b) At or after the date that assessments have become past due
6 for at least 90 days, but no sooner than 60 days after the first
7 preforeclosure notice required in subsection (4)(a) of this section
8 is mailed, the association has mailed, by first-class mail, to the
9 owner, at the apartment address and to any other address which the
10 owner has provided to the association, a second notice of
11 delinquency, which ((~~shall state as follows:~~

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

22 **SEEKING ASSISTANCE**

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

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

29 Telephone: Website:

30 The United States Department of Housing and Urban Development

31 Telephone: Website:

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

34 Telephone: Website:

35 The association shall obtain the toll-free numbers and website
36 information from the department of commerce for inclusion in the
37 notice)) must include a second preforeclosure notice that contains
38 the same information as the first preforeclosure notice provided to
39 the apartment owner pursuant to subsection (4)(a) of this section.

1 The second preforeclosure notice may not be mailed sooner than 60
2 days after the first preforeclosure notice required in subsection
3 (4)(a) of this section is mailed;

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

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

8 ~~((+5))~~ (6) Every aspect of a collection, foreclosure, sale, or
9 other conveyance under this section, including the method,
10 advertising, time, date, place, and terms, must be commercially
11 reasonable.

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

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

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

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

36 (4) The priority of the association's lien against units
37 encumbered by a mortgage held by an eligible mortgagee or by a
38 mortgagee which has given the association a written request for a
39 notice of delinquent assessments shall be reduced by up to three

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

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

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

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

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

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

1 authorized representative shall have the power, unless prohibited by
2 the declaration, to purchase the unit at the foreclosure sale and to
3 acquire, hold, lease, mortgage, or convey the same. Upon an express
4 waiver in the complaint of any right to a deficiency judgment in a
5 judicial foreclosure action, the period of redemption shall be eight
6 months. Nothing in this section shall prohibit an association from
7 taking a deed in lieu of foreclosure.

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

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

35 (12) In addition to constituting a lien on the unit, each
36 assessment shall be the joint and several obligation of the owner or
37 owners of the unit to which the same are assessed as of the time the
38 assessment is due. In a voluntary conveyance, the grantee of a unit
39 shall be jointly and severally liable with the grantor for all unpaid
40 assessments against the grantor up to the time of the grantor's

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

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

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

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

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

30 (17) (a) When the association mails to the unit owner by first-
31 class mail the first notice of delinquency for past due assessments
32 to the unit address and to any other address that the owner has
33 provided to the association, the association shall include a first
34 preforeclosure 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) If, when a delinquent account is referred to an association's
24 attorney, the first preforeclosure notice required under (a) of this
25 subsection has not yet been mailed to the unit owner, the association
26 or the association's attorney shall mail the first preforeclosure
27 notice to the unit owner in order to satisfy the requirement in (a)
28 of this subsection.

29 (c) Mailing the first preforeclosure notice pursuant to (a) of
30 this subsection does not satisfy the requirement in subsection
31 (18)(b) of this section to mail a second preforeclosure notice at or
32 after the date that assessments have become past due for at least 90
33 days. The second preforeclosure notice may not be mailed sooner than
34 60 days after the first preforeclosure notice is mailed.

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

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

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

5 (ii) ((~~\$200~~)) \$2,000 of assessments, not including fines, late
6 charges, interest, attorneys' fees, or costs incurred by the
7 association in connection with the collection of a delinquent owner's
8 account;

9 (b) At or after the date that assessments have become past due
10 for at least 90 days, but no sooner than 60 days after the first
11 preforeclosure notice required in subsection (17)(a) of this section
12 is mailed, the association has mailed, by first-class mail, to the
13 owner, at the unit address and to any other address which the owner
14 has provided to the association, a second notice of delinquency,
15 which ((shall state as follows:

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

26 **SEEKING ASSISTANCE**

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

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

33 Telephone: Website:

34 The United States Department of Housing and Urban Development

35 Telephone: Website:

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

38 Telephone: Website:

1 ~~The association shall obtain the toll-free numbers and website~~
2 ~~information from the department of commerce for inclusion in the~~
3 ~~notice)) must include a second preforeclosure notice that contains~~
4 ~~the same information as the first preforeclosure notice provided to~~
5 ~~the unit owner pursuant to subsection (17)(a) of this section. The~~
6 ~~second preforeclosure notice may not be mailed sooner than 60 days~~
7 ~~after the first preforeclosure notice required in subsection (17)(a)~~
8 ~~of this section is mailed;~~

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

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

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

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

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

22 (2) A lien under this section shall be prior to all other liens
23 and encumbrances on a unit except: (a) Liens and encumbrances
24 recorded before the recording of the declaration; (b) a mortgage on
25 the unit recorded before the date on which the assessment sought to
26 be enforced became delinquent; and (c) liens for real property taxes
27 and other governmental assessments or charges against the unit. A
28 lien under this section is not subject to the provisions of chapter
29 6.13 RCW.

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

1 or the date of recording of the declaration of forfeiture in a
2 proceeding by the vendor under a real estate contract.

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

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

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

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

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

35 (9) The lien arising under this section may be enforced
36 judicially by the association or its authorized representative in the
37 manner set forth in chapter 61.12 RCW. The lien arising under this
38 section may be enforced nonjudicially in the manner set forth in
39 chapter 61.24 RCW for nonjudicial foreclosure of deeds of trust if
40 the declaration (a) contains a grant of the condominium in trust to a

1 trustee qualified under RCW 61.24.010 to secure the obligations of
2 the unit owners to the association for the payment of assessments,
3 (b) contains a power of sale, (c) provides in its terms that the
4 units are not used principally for agricultural or farming purposes,
5 and (d) provides that the power of sale is operative in the case of a
6 default in the obligation to pay assessments. The association or its
7 authorized representative shall have the power, unless prohibited by
8 the declaration, to purchase the unit at the foreclosure sale and to
9 acquire, hold, lease, mortgage, or convey the same. Upon an express
10 waiver in the complaint of any right to a deficiency judgment in a
11 judicial foreclosure action, the period of redemption shall be eight
12 months. Nothing in this section shall prohibit an association from
13 taking a deed in lieu of foreclosure.

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

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

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

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

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

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

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

36 (17) (a) When the association mails to the unit owner by first-
37 class mail the first notice of delinquency for past due assessments
38 to the unit address and to any other address that the owner has
39 provided to the association, the association shall include a first
40 preforeclosure notice that states as follows:

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

11 **SEEKING ASSISTANCE**

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

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

18 Telephone: Website:

19 The United States Department of Housing and Urban Development

20 Telephone: Website:

21 The statewide civil legal aid hotline for assistance and
22 referrals to other housing counselors and attorneys

23 Telephone: Website:

24 The association shall obtain the toll-free numbers and website
25 information from the department of commerce for inclusion in the
26 notice.

27 (b) If, when a delinquent account is referred to an association's
28 attorney, the first preforeclosure notice required under (a) of this
29 subsection has not yet been mailed to the unit owner, the association
30 or the association's attorney shall mail the first preforeclosure
31 notice to the unit owner in order to satisfy the requirement in (a)
32 of this subsection.

33 (c) Mailing the first preforeclosure notice pursuant to (a) of
34 this subsection does not satisfy the requirement in subsection
35 (18)(b) of this section to mail a second preforeclosure notice at or
36 after the date that assessments have become past due for at least 90
37 days. The second preforeclosure notice may not be mailed sooner than
38 60 days after the first preforeclosure notice is mailed.

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

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

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

9 (ii) ((~~\$200~~) \$2,000) of assessments, not including fines, late
10 charges, interest, attorneys' fees, or costs incurred by the
11 association in connection with the collection of a delinquent owner's
12 account;

13 (b) At or after the date that assessments have become past due
14 for at least 90 days, but no sooner than 60 days after the first
15 preforeclosure notice required in subsection (17)(a) of this section
16 is mailed, the association has mailed, by first-class mail, to the
17 owner, at the unit address and to any other address which the owner
18 has provided to the association, a second notice of delinquency,
19 which ((~~shall state as follows:~~

20 ~~THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS~~
21 ~~FROM THE UNIT OWNERS' 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 a second preforeclosure notice that contains
7 the same information as the first preforeclosure notice provided to
8 the unit owner pursuant to subsection (17)(a) of this section. The
9 second preforeclosure notice may not be mailed sooner than 60 days
10 after the first preforeclosure notice required in subsection (17)(a)
11 of this section is mailed;

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

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

16 ((18)) (19) Every aspect of a collection, foreclosure, sale, or
17 other conveyance under this section, including the method,
18 advertising, time, date, place, and terms, must be commercially
19 reasonable.

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

22 (1)(a) If the governing documents of an association provide for a
23 lien on the lot of any owner for unpaid assessments, the association
24 shall include the following first preforeclosure notice when mailing
25 to the lot owner by first-class mail the first notice of delinquency
26 to the lot address and to any other address that the owner has
27 provided to the association:

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

38 **SEEKING ASSISTANCE**

1 Housing counselors and legal assistance may be available at
2 little or no cost to you. If you would like assistance in determining
3 your rights and opportunities to keep your house, you may contact the
4 following:

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

7 Telephone: Website:

8 The United States Department of Housing and Urban Development

9 Telephone: Website:

10 The statewide civil legal aid hotline for assistance and
11 referrals to other housing counselors and attorneys

12 Telephone: Website:

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

16 (b) If, when a delinquent account is referred to an association's
17 attorney, the first preforeclosure notice required under (a) of this
18 subsection has not yet been mailed to the lot owner, the association
19 or the association's attorney shall mail the first preforeclosure
20 notice to the lot owner in order to satisfy the requirement in (a) of
21 this subsection.

22 (c) Mailing the first preforeclosure notice pursuant to (a) of
23 this subsection does not satisfy the requirement in subsection (2)(b)
24 of this section to mail a second preforeclosure notice at or after
25 the date that assessments have become past due for at least 90 days.
26 The second preforeclosure notice may not be mailed sooner than 60
27 days after the first preforeclosure notice is mailed.

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

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

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

37 (ii) (~~(\$200)~~) \$2,000 of assessments, not including fines, late
38 charges, interest, attorneys' fees, or costs incurred by the

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

3 (b) At or after the date that assessments have become past due
4 for at least 90 days, but no sooner than 60 days after the first
5 preforeclosure notice required in subsection (1)(a) of this section
6 is mailed, the association has mailed, by first-class mail, to the
7 owner, at the lot address and to any other address which the owner
8 has provided to the association, a second notice of delinquency,
9 which ((shall state as follows:

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

20 **SEEKING ASSISTANCE**

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

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

27 Telephone: Website:

28 The United States Department of Housing and Urban Development

29 Telephone: Website:

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

32 Telephone: Website:

33 The association shall obtain the toll-free numbers and website
34 information from the department of commerce for inclusion in the
35 notice)) must include a second preforeclosure notice that contains
36 the same information as the first preforeclosure notice provided to
37 the lot owner pursuant to subsection (1)(a) of this section. The
38 second preforeclosure notice may not be mailed sooner than 60 days

1 after the first preforeclosure notice required in subsection (1)(a)
2 of this section is mailed;

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

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

7 ~~((2))~~ (3) Every aspect of a collection, foreclosure, sale, or
8 other conveyance under this section, including the method,
9 advertising, time, date, place, and terms, must be commercially
10 reasonable.

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

13 (1)(a) If the governing documents of an association provide for a
14 lien on the lot of any owner for unpaid assessments, the association
15 shall include the following first preforeclosure notice when mailing
16 to the lot owner by first-class mail the first notice of delinquency
17 to the lot address and to any other address that the owner has
18 provided to the association:

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

29 **SEEKING ASSISTANCE**

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

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

36 Telephone: Website:

37 The United States Department of Housing and Urban Development

38 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.

7 (b) If, when a delinquent account is referred to an association's
8 attorney, the first preforeclosure notice required under (a) of this
9 subsection has not yet been mailed to the lot owner, the association
10 or the association's attorney shall mail the first preforeclosure
11 notice to the lot owner in order to satisfy the requirement in (a) of
12 this subsection.

13 (c) Mailing the first preforeclosure notice pursuant to (a) of
14 this subsection does not satisfy the requirement in subsection (2)(b)
15 of this section to mail a second preforeclosure notice at or after
16 the date that assessments have become past due for at least 90 days.
17 The second preforeclosure notice may not be mailed sooner than 60
18 days after the first preforeclosure notice is mailed.

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

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

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

28 (ii) ~~(\$200)~~ \$2,000 of assessments, not including fines, late
29 charges, interest, attorneys' fees, or costs incurred by the
30 association in connection with the collection of a delinquent owner's
31 account;

32 (b) At or after the date that assessments have become past due
33 for at least 90 days, but no sooner than 60 days after the first
34 preforeclosure notice required in subsection (1)(a) of this section
35 is mailed, the association has mailed, by first-class mail, to the
36 owner, at the lot address and to any other address which the owner
37 has provided to the association, a second notice of delinquency,
38 which ~~(shall state as follows:~~

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

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

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

SEEKING ASSISTANCE

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

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

~~Telephone: Website:~~

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

~~Telephone: Website:~~

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

~~Telephone: Website:~~

~~The association shall obtain the toll-free numbers and website information from the department of commerce for inclusion in the notice)) must include a second preforeclosure notice that contains the same information as the first preforeclosure notice provided to the lot owner pursuant to subsection (1)(a) of this section. The second preforeclosure notice may not be mailed sooner than 60 days after the first preforeclosure notice required in subsection (1)(a) of this section is mailed;~~

~~(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 lot.~~

~~((+2)) (3) 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.~~

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

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

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

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

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

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

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

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

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

38 (iii) The amounts described in (a)(ii) of this subsection shall
39 be prior only to the security interest of the holder of a security
40 interest on the unit recorded before the date on which the unpaid

1 assessment became due and only if the association has given that
2 holder not less than ((~~sixty~~)) 60 days' prior written notice that the
3 owner of the unit is in default in payment of an assessment. The
4 notice shall contain:

5 (A) Name of the borrower;

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

7 (C) Recording information;

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

10 (E) Amount of unpaid assessment; and

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

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

21 (b) For the purposes of this subsection:

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

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

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

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

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

37 (c) The adoption of a periodic budget that purports to allocate
38 to a unit any fines, late charges, interest, attorneys' fees and
39 costs incurred for services unrelated to the foreclosure of the
40 association's lien, other collection charges, or specially allocated

1 assessments assessed under RCW 64.90.480 (6) or (7) does not cause
2 any such items to be included in the priority amount affecting such
3 unit.

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

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

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

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

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

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

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

34 (11) The association upon written request must 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 or the priority amount against that unit, or both. The
38 statement must be furnished within (~~fifteen~~) 15 days after receipt
39 of the request and is binding on the association, the board, and
40 every unit owner unless, and to the extent, known by the recipient to

1 be false. The liability of a recipient who reasonably relies upon the
2 statement must not exceed the amount set forth in any statement
3 furnished pursuant to this section or RCW 64.90.640(1)(b).

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

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

10 (a) In a common interest community other than a cooperative, the
11 association's lien may be foreclosed judicially in accordance with
12 chapter 61.12 RCW, subject to any rights of redemption under chapter
13 6.23 RCW.

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

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

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

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

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

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

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

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

20 (i) The reasonable expenses of sale;

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

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

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

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

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

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

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

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

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

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

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

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

15 (19) The association is 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 a suit being commenced or prosecuted to judgment. The
19 prevailing party is also entitled to recover costs and reasonable
20 attorneys' fees in such suits, including any appeals, if it prevails
21 on appeal and in the enforcement of a judgment.

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

25 (21)(a) When the association mails to the unit owner by first-
26 class mail the first notice of delinquency for past due assessments
27 to the unit address and to any other address that the owner has
28 provided to the association, the association shall include a first
29 preforeclosure notice that states as follows:

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

SEEKING ASSISTANCE

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

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

Telephone: Website:

The United States Department of Housing and Urban Development

Telephone: Website:

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

Telephone: Website:

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

(b) If, when a delinquent account is referred to an association's attorney, the first preforeclosure notice required under (a) of this subsection has not yet been mailed to the unit owner, the association or the association's attorney shall mail the first preforeclosure notice to the unit owner in order to satisfy the requirement in (a) of this subsection.

(c) Mailing the first preforeclosure notice pursuant to (a) of this subsection does not satisfy the requirement in subsection (22)(b) of this section to mail a second preforeclosure notice at or after the date that assessments have become past due for at least 90 days. The second preforeclosure notice may not be mailed sooner than 60 days after the first preforeclosure notice is mailed.

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

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

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

(ii) (~~\$200~~) \$2,000 of assessments, not including fines, late charges, interest, attorneys' fees, or costs incurred by the

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

3 (b) At or after the date that assessments have become past due
4 for at least 90 days, but no sooner than 60 days after the first
5 preforeclosure notice required in subsection (21)(a) of this section
6 is mailed, the association has mailed, by first-class mail, to the
7 owner, at the unit address and to any other address which the owner
8 has provided to the association, a second notice of delinquency,
9 which ((shall state as follows:

10 ~~THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS~~
11 ~~FROM THE UNIT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.~~
12 ~~THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING~~
13 ~~YOUR HOME.~~

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

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

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

20 **SEEKING ASSISTANCE**

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

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

27 Telephone: Website:

28 The United States Department of Housing and Urban Development

29 Telephone: Website:

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

32 Telephone: Website:

33 The association shall obtain the toll-free numbers and website
34 information from the department of commerce for inclusion in the
35 notice)) must include a second preforeclosure notice that contains
36 the same information as the first preforeclosure notice provided to
37 the owner pursuant to subsection (21)(a) of this section. The second
38 preforeclosure notice may not be mailed sooner than 60 days after the

1 first preforeclosure notice required in subsection (21)(a) of this
2 section is mailed;

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

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

7 ~~((22))~~ (23) Every aspect of a collection, foreclosure, sale, or
8 other conveyance under this section, including the method,
9 advertising, time, date, place, and terms, must be commercially
10 reasonable.

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

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

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

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

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

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

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

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

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

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

10 (iii) The amounts described in (a)(ii) of this subsection shall
11 be prior only to the security interest of the holder of a security
12 interest on the unit recorded before the date on which the unpaid
13 assessment became due and only if the association has given that
14 holder not less than (~~sixty~~) 60 days' prior written notice that the
15 owner of the unit is in default in payment of an assessment. The
16 notice shall contain:

- 17 (A) Name of the borrower;
18 (B) Recording date of the trust deed or mortgage;
19 (C) Recording information;
20 (D) Name of condominium, unit owner, and unit designation stated
21 in the declaration or applicable supplemental declaration;
22 (E) Amount of unpaid assessment; and
23 (F) A statement that failure to, within (~~sixty~~) 60 days of the
24 written notice, submit the association payment of six months of
25 assessments as described in (a)(i) of this subsection will result in
26 the priority of the amounts described in (a)(ii) of this subsection;
27 and

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

33 (b) For the purposes of this subsection:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33 (i) The reasonable expenses of sale;

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

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

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

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

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

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

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

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

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

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

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

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

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

38 (21)(a) When the association mails to the unit owner by first-
39 class mail the first notice of delinquency for past due assessments
40 to the unit address and to any other address that the owner has

1 provided to the association, the association shall include a first
2 preforeclosure notice that states as follows:

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

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

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

13 **SEEKING ASSISTANCE**

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

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

20 Telephone: Website:

21 The United States Department of Housing and Urban Development

22 Telephone: Website:

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

25 Telephone: Website:

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

29 (b) If, when a delinquent account is referred to an association's
30 attorney, the first preforeclosure notice required under (a) of this
31 subsection has not yet been mailed to the unit owner, the association
32 or the association's attorney shall mail the first preforeclosure
33 notice to the unit owner in order to satisfy the requirement in (a)
34 of this subsection.

35 (c) Mailing the first preforeclosure notice pursuant to (a) of
36 this subsection does not satisfy the requirement in subsection
37 (22)(b) of this section to mail a second preforeclosure notice at or
38 after the date that assessments have become past due for at least 90

1 days. The second preforeclosure notice may not be mailed sooner than
2 60 days after the first preforeclosure notice is mailed.

3 (22) An association may not commence an action to foreclose a
4 lien on a unit under this section unless:

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

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

11 (ii) ~~((\$200))~~ \$2,000 of assessments, not including fines, late
12 charges, interest, attorneys' fees, or costs incurred by the
13 association in connection with the collection of a delinquent owner's
14 account;

15 (b) At or after the date that assessments have become past due
16 for at least 90 days, but no sooner than 60 days after the first
17 preforeclosure notice required in subsection (21)(a) of this section
18 is mailed, the association has mailed, by first-class mail, to the
19 owner, at the unit address and to any other address which the owner
20 has provided to the association, a second notice of delinquency,
21 which ~~((shall state as follows:~~

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

32 ~~**SEEKING ASSISTANCE**~~

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

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

39 ~~Telephone: Website:~~

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

2 ~~Telephone: Website:~~

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

5 ~~Telephone: Website:~~

6 ~~The association shall obtain the toll-free numbers and website~~
7 ~~information from the department of commerce for inclusion in the~~
8 ~~notice)) must include a second preforeclosure notice that contains~~
9 ~~the same information as the first preforeclosure notice provided to~~
10 ~~the owner pursuant to subsection (21)(a) of this section. The second~~
11 ~~preforeclosure notice may not be mailed sooner than 60 days after the~~
12 ~~first preforeclosure notice required in subsection (21)(a) of this~~
13 ~~section is mailed;~~

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

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

18 ~~((22))~~ (23) Every aspect of a collection, foreclosure, sale, or
19 other conveyance under this section, including the method,
20 advertising, time, date, place, and terms, must be commercially
21 reasonable.

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

24 Sections 1, 3, 5, and 7 of this act expire January 1, ~~((2024))~~
25 2025.

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

28 Sections 2, 4, 6, and 8 of this act take effect January 1,
29 ~~((2024))~~ 2025.

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

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

--- END ---