

October 26, 2020

Administration Section Manager  
State of Nevada, Department of Business & Industry  
Real Estate Division  
3300 W. Sahara Avenue, Suite 350  
Las Vegas, Nevada 89102

**Re: Request for Review of the Schedule of Fees as outlined in NAC 116.470**

Dear Commissioners,

Thank you for your consideration and interest in the above-referenced item.

We learned recently that it was added as an action item to the CCICCH agenda for October 27 – 29, 2020 and felt it would be prudent to submit some supporting documents to assist your review and discussion regarding modifying the current Fee Schedule.

Along with this cover letter, we have attached a few items:

1. A proposed Fee Schedule that reflects a few suggested changes:
  - a. Sensible increases that reflect the continually rising cost of doing business in Nevada
  - b. Additional steps that are required currently per Nevada law and reasonable, associated Fees for said services.
2. An updated copy of the original letter submitted with additional endorsements from many more professionals connected to the community association management industry.

Additionally, we would like to propose a removal of the overall cap of \$1950, since all Fees in NAC 116.470 are already capped individually by the Fee Schedule. That means that the total amount of Fees charged by the association can never exceed the Fees set by the State of Nevada.

Finally, to prevent the burden of further reviews by the CCICCH every year, we would like to propose aligning future Fee Schedules to the rate of the Consumer Price Index (CPI) of the previous year, not to exceed 3%.

As always, we are available to discuss the items above further and answer any of your questions.

Sincerely,



Cameron Clark  
President

**PROPOSED AMENDMENT TO NAC 116.470**

1. Except as otherwise provided in subsection 5, to cover the costs of collecting any past due obligation of a unit’s owner, an association or a person acting on behalf of an association to collect a past due obligation of a unit’s owner may not charge the unit’s owner fees in connection with a notice of delinquent assessment pursuant to paragraph (a) of subsection 1 of NRS 116.31162 which exceed ~~a total of \$1,950.00, plus the costs and fees described in subsections 3 and 4.~~

~~—2. An association or a person acting on behalf of an association to collect a past due obligation of a unit’s owner may not charge the unit’s owner fees in connection with a notice of delinquent assessment pursuant to paragraph (a) of subsection 1 of NRS 116.31162 which exceed the following amounts:~~

a) Collection account set up fee .....	100
b) Demand or intent to lien letter .....	200
c) Notice of delinquent assessment lien .....	375
d) Intent to notice of default letter .....	125
e) Notice of default .....	450
f) Intent to notice of sale letter .....	125
g) Notice of sale .....	325
h) Affidavit of Mailing .....	50
i) Intent to conduct foreclosure sale .....	75
j) Conduct foreclosure sale.....	175
k) Certificate of sale fee .....	50
l) Prepare <del>and record</del> transfer deed .....	175
m) Payment plan agreement <del>set-up fee</del> <del>One time set up fee</del> per approved payment plan...50	
n) Payment plan breach letter <del>per payment plan breach</del> .....	25
o) Payment plan reinstatement fee .....	25
p) Release of notice of delinquent assessment lien .....	50
q) Notice of rescission fee .....	50
r) Release of super priority lien .....	50
s) Bankruptcy search fee per search .....	5
t) Bankruptcy package preparation and monitoring <del>for active bankruptcies</del> .....	200
u) Mailing fee per piece for demand or intent to lien letter, notice of delinquent assessment lien, notice of default and notice of sale .....	2
v) Insufficient funds fee <del>per transaction</del> .....	30
w) <del>Esrow</del> Payoff demand fee <del>per demand</del> .....	200
x) Substitution of agent document fee.....	50
y) Postponement fee <del>per postponement</del> .....	75
z) Foreclosure fee.....	200

~~32.~~ If, in connection with an activity described in subsection ~~21~~, any costs are charged to an association or a person acting on behalf of an association to collect a past due obligation by a

person who is not an officer, director, agent or affiliate of the community manager of the association or of an agent of the association, including, without limitation, the cost of a trustee's sale guarantee and other title costs, recording costs, posting and publishing costs, sale costs, mailing costs, express delivery costs and skip trace fees, the association or person acting on behalf of an association may recover from the unit's owner the actual costs incurred without any increase or markup.

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

(a) Reasonable management company fees **for services including, sending the statutory pre-collection notice (SB 280 (2013)) and the active duty military notice (SB 33 (2017))**, which may not exceed a total of **\$325**; and

(b) Reasonable attorney's fees and actual costs, without any increase or markup, incurred by the association **or person acting on behalf of the association** for any legal services which do not include an activity described in subsection 21.

54. If an association or a person acting on behalf of an association to collect a past due obligation of a unit's owner is engaging in the activities set forth in NRS 116.31162 to 116.31168, inclusive, with respect to more than 25 units owned by the same unit's owner, the association or person acting on behalf of an association may not charge the unit's owner fees to cover the costs of collecting a past due obligation which exceed a total of **charges assessed pursuant to subsection 1\$1,950** multiplied by the number of units for which such activities are occurring, as reduced by an amount set forth in a resolution adopted by the executive board, plus the costs and fees described in subsections 3-2 and 43.

65. For a one-time period of 15 business days immediately following a request for a payoff amount from the unit's owner or his or her agent, no fee to cover the cost of collecting a past due obligation may be charged to the unit's owner, except for the fee described in paragraph **(qw)** of subsection 2-1 and any other fee to cover any cost of collecting a past due obligation which is imposed because of an action required by statute to be taken within that 15-day period.

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

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

- (1) Is a general partner, officer, director or employer of the community manager or agent;
- (2) Directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote or holds proxies representing, more than 20 percent of the voting interest in the community manager or agent;
- (3) Controls in any manner the election of a majority of the directors of the community manager or agent; or

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

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

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

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

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

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

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

(Added to NAC by Comm’n for Common-Interest Communities & Condo. Hotels by R199-09, eff. 5-5-2011)

October 12, 2020

Administration Section Manager  
State of Nevada, Department of Business & Industry  
Real Estate Division  
3300 W. Sahara Avenue, Suite 350  
Las Vegas, Nevada 89102

**Re: Request for Review of the Schedule of Fees as outlined in NAC 116.470**

Dear Commissioners,

Thank you for your time and consideration on the above-referenced matter.

The Nevada State Legislature passed a law in 2009 requiring the Commission on Common Interest Communities and Condominium Hotels to adopt a Fee Schedule for all trustee services (Nevada-licensed collection companies and law firms) that were hired by Nevada community associations to recover delinquent assessments and violation fines. The Fee Schedule is currently required to be followed by collection services in Nevada was adopted and finalized in May 2011.

The Fee Schedule placed limits on each service charged by the collection company hired by their client, the community association, along with placing a full cap of \$1950 on total fees that could be charged to a homeowner for services rendered for and on behalf of the association. Since its passage, little to no revisions have been made to the Fee Schedule. We are requesting this review be placed on your October 2020 Commission agenda meeting for consideration to raise these fees.

Our reasons for requesting this review by the Commission and an increase are:

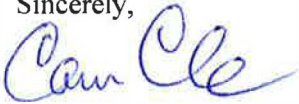
1. Indirect costs related to doing business in Nevada have risen over the last decade and include the requirement for every employer to provide affordable insurance options to employees under the Affordable Care Act, which was passed one-year prior in March 2010.
2. All of these costs combined with a continual cap on individual service fees and a total cap have led to company owners having to cut other services previously available to homeowners associations. With no way to guarantee recovery of fees that surpass the cap, the necessary decision to scale back was a common sense decision.
3. The “super-priority” protections offered to the 1<sup>st</sup> Trust Deed Holder (commonly known as the lender) caps the recovery of allowable fees at a rate lower than \$1950. Instead, the lender only needs to pay \$1365 to secure their interest. This amount does not include many of the hard-third-party costs the collection service pays for upfront to perform the collection service.
4. With this increase in third-party costs and other costs associated with doing business in Nevada, there have been a number of collection companies that have either had to close down or transfer their business to another entity to continue the contract obligations for their clients. This has led to a reduction of viable options available to Nevada community associations.

These are only a few of the reasons we believe this review and increase are warranted. We understand these requests will need to be reviewed in committee.

Additionally, we have consulted with many of our professional colleagues in the community association management industry on this matter and we have received their full support for a review. Attached, you will find the signatures and titles of those community management company owners, executives and others who believe an increase in fees is necessary.

We are always available to discuss further the items above and answer any questions you might have.


Sincerely,



Cameron Clark  
President

### Endorsements


The undersigned have reviewed this letter and agree that a review and Fee Schedule increase by the Commission on Common Interest Communities and Condominium Hotels is warranted:

  
Signature  
Joel Just, CAMCO  
Printed Name  
CEO  
Title


CAMCO  
Company

  
Signature  
JASON HOORN  
Printed Name  
OWNER / CEO  
Title


Taylor Association Management  
Company

  
Signature  
Coleen Crawford  
Printed Name  
Managing Owner  
Title

Desert Community Mgmt  
Company


  
Signature  
Kevin Ruth  
Printed Name  
President  
Title

Thoroughbred Management  
Company

  
Signature  
PHILLIP MICHAELSON  
Printed Name  
REGIONAL COMMITTEE MBR  
Title

Regional Committee MBR  
Title

Leishold Real Estate Mgt.  
Company

  
Signature  
STEVEN PARNISH  
Printed Name  
PRESIDENT  
Title

FirstService Reservations  
Company



Re: Request for Review of the Schedule of Fees as outlined in NAC 116.470 (Endorsements Continued)

Michael Randolph  
Signature

MICHAEL RANDOLPH  
Printed Name

MANAGER  
Title

HOA Collections LLC  
Company

Amy L. Groves  
Signature

Amy L. Groves  
Printed Name

Owner  
Title

Nevada's Finest Properties LLC  
Company

Alisa M. Vyenclo  
Signature

Alisa M. Vyenclo  
Printed Name

President / CEO  
Title

Real Properties Mngmt Group INC.  
Company

Steve Vitali  
Signature

STEVE Vitali  
Printed Name

DIVISION PRESIDENT  
Title

THE MANAGEMENT TRUST  
Company

John E. Leach  
Signature

John E. Leach  
Printed Name

Attorney - Leach Kern Gruchow Anderson Song  
Title

Company

Edward Song  
Signature

Edward Song  
Printed Name

Shareholder  
Title

Leach Kern Gruchow Anderson Song  
Company

Cheri Hauer  
Signature

Cheri Hauer  
Printed Name

Attorney  
Title

Leach Kern Gruchow  
Company

Signature

Printed Name

Title

Company