

COLLECTION AND FORECLOSURE POLICY
OF STAMFORD WATER POLLUTION CONTROL AUTHORITY

WHEREAS, the Board of the Stamford Water Pollution Control Authority (hereinafter the “Board”) desires to revise the Stamford Water Pollution Control Authority’s Collection and Foreclosure Policy in order to have a single, comprehensive policy governing the collection of all amounts due and owing to the Stamford Water Pollution Control Authority (hereinafter “SWPCA”);

WHEREFORE, at its December 16, 2019, Board of Directors meeting, the Board adopted the following Collection Policy to be effective as of December 17, 2019, replacing all previous Collection and Foreclosure Policies and addenda.

1. BILLING AND COLLECTION PROCEDURE PRIOR TO SENDING TO COLLECTIONS ATTORNEY

Billing Agent, vendor/company that prepares the bills will send the following correspondence to Owner(s) and take the following actions:

- a. WPCA Bill (April and October);
- b. Reminder Bill to all accounts with a principal balance of \$5 or more, to be sent 45 days from original bill date;
- c. Tax Warrant Demand Letter—a reminder letter sent by the vendor/company—to all accounts with a combined principal balance of \$100 or more, to be sent 60 days from original bill date;
- d. Notice of Intent to Lien—a letter that informs the customer of an impending lien placement unless account is made current—to any accounts with a principal balance of \$30 or more for a billing period, which have not paid their October or April bill, to be sent approximately 90 days from original bill date;
- e. Tax Warrant Collection Letter—a letter that informs the customer the account will be placed with the collection attorney unless the account is made current—for all accounts that have not submitted a payment within 30 days of Notice of Intent to Lien and have a balance of \$100 or more, to be sent 120 days from original bill date;
- f. Billing Agent will file liens on all accounts that have a principal balance of \$30 or more on the most recent April or October bill 120 days from the original bill date.
- g. If Owner makes monthly payments after receiving any of the above notifications, the customer will not be referred to the Collections Attorney.

Billing Agent will take steps to verify questionable addresses (i.e., returned mail) by searching all databases to which it has access including, but not limited to, the Aquarion database and the Town Clerk’s Office.

Billing Agent will take further steps to contact delinquent Owner(s) by placing phone calls to accounts with a balance of \$50 or more, for whom Billing Agent has obtained a phone number.

Billing Agent will create a contact log for each file, to include phone numbers, email addresses, mailing addresses if different than premises billed, and any additional information that will be helpful in locating/contacting Owners, as available.

Billing Agent will track all payoff requests for all real estate closings and establish an information log for each new Owner(s) containing the same information above, as available. Billing Agent will send closing payoff requests to Collections Attorney.

Billing Agent will send delinquent accounts with no payments made for 120 days or owing \$500 or more to Collections Attorney for formal collection action.

2. BILLING AND COLLECTION PROCEDURE AFTER SENDING TO COLLECTIONS ATTORNEY

Collections Attorney will send the following correspondence, by regular and certified mail, to delinquent Owner(s):

- a. Demand Notice giving delinquent Owner(s) 30 days to submit a payment proposal or pay the delinquency in full;
- b. If no payment in full or payment proposal is received within 30 days of the Demand Notice, Collections Attorney will send a Second Demand Notice giving delinquent Owner(s) an additional 30 days to submit a payment proposal or pay the delinquency in full;
- c. If no payment in full or payment proposal is received within 30 days of the Second Demand Notice and the account is delinquent in excess of \$5,000.00, Collections Attorney will send a Foreclosure Notification informing delinquent Owner(s) that the Board has authorized foreclosure and setting a date on which a foreclosure action will commence.

If an Owner(s) does not enter into an approved payment plan signed by all Owner(s) and the Executive Director of the SWPCA, legal action, including, but not limited to, foreclosure, may continue against the Owner(s), regardless of whether or not Owner(s) is submitting monthly payments, at the sole discretion of the SWPCA.

If regular mail is returned due to an incorrect address, Collections Attorney will take steps to verify the addresses of delinquent Owner(s) by accessing ACCURINT (the Lexis database) and any other available means (i.e., letter to the Post Office).

If certified mail is returned undeliverable, Collections Attorney will take steps to verify the addresses of delinquent Owner(s) by accessing ACCURINT (the Lexis database) and any other available means (i.e., letter to the Post Office),

If certified mail is returned unclaimed, Collections Attorney will take steps to verify the addresses of delinquent Owner(s) by accessing ACCURINT (the Lexis database) and any other available means (i.e., letter to the Post Office), if other circumstances deem such verification to be necessary.

If no response is received to the Foreclosure Notification in Section (c) above, Collections Attorney will order a title search to determine what encumbrances exist against the property, if any, and who holds said encumbrances. Collections Attorney then will notify the mortgage-holders, if any, of the delinquency and the impending foreclosure action.

All expenses of foreclosure, including without limitation, title search, Marshal's service fee, filing fee, and appraisal fee, will be paid by SWPCA to Collections Attorney prior to commencement of foreclosure.

Collections Attorney will forward all payment plan proposals to the Executive Director, Administration Manager, or designee of SWPCA for consideration on a case-by-case basis. Payment proposals will be considered only if they cover the interest and any other fees associated with collections that will accrue against the delinquent account monthly.

If a payment plan proposal is approved and signed by Owner(s) and the Executive Director of SWPCA prior to Collections Attorney commencing a foreclosure action against the Owner(s), the Owner(s) and SWPCA will enter into an agreement that Owner(s) will make all payments directly to Collections Attorney until all legal fees and expenses have been paid. After all legal fees and expenses have been paid to Collections Attorney, Owner(s) shall make all future payments directly to SWPCA, unless referred back to Collections Attorney for breach of the payment agreement. An example of the payment agreement is attached hereto as Exhibit A. The Board and/or the Executive Director of the SWPCA reserve the right to modify the payment agreement in their sole discretion.

If a payment plan proposal is approved and Collections Attorney has commenced a foreclosure action against the Owner(s) of the property, the Owner(s) and SWPCA will enter into a payment agreement that Owner(s) shall make all payments directly to Collections Attorney as long as the foreclosure action is pending. An example of the payment agreement is attached hereto as Exhibit B. The Board and/or the Executive Director of the SWPCA reserve the right to modify the payment agreement in their sole discretion.

All payment agreements will provide that the agreement is subject to review and revision annually at the sole discretion of the SWPCA. The Executive Director, Administration Manager, or designee has the authority to consider a hardship exception for Owner(s) in particularly difficult circumstances (i.e., senior citizen on a fixed income) to present to the Finance Committee. The Finance Committee will review all hardship requests brought before the Finance Committee and present a recommendation to the Board on a case-by-case basis.

The SWPCA will place liens on unpaid sewer use bills assessed in October and April, however, an Owner(s) who has entered into a payment plan agreement will not be assessed a lien fee for the October or April bills if:

- A. The Owner(s) has been in a payment plan agreement for more than twelve (12) months and the Owner(s) has made all monthly payments for the last twelve (12) months, including payments of April and October bills, pursuant to the payment plan agreement; or
- B. The Owner(s) has been in a payment plan agreement for less than twelve (12) months, the Owner(s) has made a payment in an amount equal to the most recent October or April bill, and has made all monthly payments pursuant to the payment plan agreement.

When an Owner has entered into a payment plan agreement but does not meet the requirements in A or B above due to a missed payment, the SWPCA, at its sole discretion, may allow the Owner, upon written request, to make a payment in the amount of the missed payments to prevent a lien from being placed on the property. The written request must be received no later than ten (10) business days after the Billing Agent sends the Intent to Lien letter and payment

must be received no later than fifteen (15) business days after the Billing Agent sends the Intent to Lien letter.

Collections Attorney will forward a "Do Not Charge for Lien" list to Administration Manager or designee, listing all accounts that are active with Collections Attorney and meet any one of the above criteria by January 5th and July 5th of each year. If an account on said list misses a monthly payment between the time of the Intent to Lien letters and the liens being placed, Collections Attorney will alert Billing Agent to remove the account from the "Do Not Charge for Lien" list by February 1st and August 1st.

When a delinquent Owner(s) has been referred to Collections Attorney for collection of a delinquent account:

- A. Payments will be applied to outstanding legal fees and expenses first and the SWPCA account balance second.
- B. Legal action commenced in accordance with this Collection Policy, including, but not limited to, foreclosure, will continue until full payment is made or Owner(s) enters into an approved payment plan signed by Owner(s) and SWPCA Executive Director.
- C. All communications with Owner(s) for accounts referred to Collections Attorney in accordance with this Collection Policy shall be through Collections Attorney until legal fees and expenses have been paid and/or no foreclosure action is pending against the Owner(s).
- D. Payments shall be made payable to Collections Attorney as trustee. Any payment made directly to SWPCA will be forwarded to Collections Attorney without being deposited.
- E. All payments made during the pendency of the payment agreement shall be made payable to Collections Attorney as trustee until such time as the legal fees and expenses have been paid in full. Upon payment in full of all legal fees and expenses, Collections Attorney will notify Owner(s) that Owner(s) shall remit payments directly to SWPCA until the delinquency is paid in full, unless a foreclosure action is pending, in which case all payments shall be remitted to Collections Attorney as trustee until the delinquent balance is paid in full and foreclosure action withdrawn.
- F. All requests for a payment plan shall be submitted to Collections Attorney in writing. The Executive Director of SWPCA will NOT consider any verbal payment agreement requests.
- G. If the Executive Director of SWPCA approves a payment agreement, all legal fees and expenses incurred during the pendency of the payment agreement remain the sole responsibility of the delinquent Owner(s).
- H. If Owner(s) fails to comply with a payment agreement, SWPCA, in its sole discretion, may refer the account back to Collections Attorney for additional collection action. As additional collection becomes necessary and additional legal fees and expenses are incurred, payments will again be made to Collections Attorney as trustee until such time as the legal fees and expenses have been paid in full, unless a foreclosure action has commenced, in which case all payments shall be remitted to legal counsel as trustee until the delinquent balance is paid in full.
- I. If a customer files an appeal, SWPCA shall provide written notice to Collections Attorney to cease collection efforts while the appeal is pending.
- J. The Owner(s) shall be responsible for all legal fees and legal expenses incurred after referral to Collections Attorney, whether or not foreclosure commences.

3. ACCOUNTS PAID IN FULL LESS LEGAL EXPENSES

All legal fees and expenses incurred by the SWPCA in connection with the collection of delinquent sewer use charges are collectible against the Owner(s) of the property. Legal fees and expenses include, but are not limited to, those fees and expenses listed under Connecticut General Statute §§ 12-161(a), 12-193, and 52-249 and all legal fees and expenses incurred by Collections Attorney prior to the commencement of legal proceedings including, without limitation, foreclosure upon SWPCA's sewer liens. All legal fees and expenses remaining unpaid by the Owner(s) of the property shall be assessed against the property by the SWPCA and added to the Owner(s) SWPCA account.

The SWPCA shall assess all unpaid legal fees and expenses to the account of the property Owner(s).

All payments will be applied to oldest outstanding balance, with payments being applied in the following order:

- a. Legal Fees and Expenses;
- b. Interest and Lien Fees;
- c. Principal Balance Due.

4. FORECLOSURE PROCEEDINGS (PURA)

If foreclosure proceedings result in a judgment entered against a customer and the Court orders a public auction, the SWPCA will submit a bid, which will cover the all unpaid SWPCA charges, legal expenses, and legal fees, an estimate of the Committee fees and expenses, and any unpaid taxes. Under no circumstances will the SWPCA take possession of a foreclosed property.

This policy is in addition to all rights SWPCA has under the laws of the State of Connecticut and its Regulations.

This policy shall be effective as of the 17th day of December 2019.



Chairman
Board of Directors

REVISED: 12-16-19