

Council hears maintenance charges talk

Great Neck Co-op & Condo Council met on Monday, Sept. 12 to hear CCC legal advisor Marc Schneider from Schneider Mitola LLP discuss "Collecting Maintenance and Common Charges In Difficult Economic Times."

Schneider first spoke about when a board should act. In that regard, he advised of the importance and the need to establish policies for collection of maintenance and common charges. He recommended that you act as swiftly as legally possible, as someone not paying the co-op or condominium is likely not paying others. The earlier you reach the delinquent shareholder or unit owner, the greater the likelihood payment will be received from the shareholder or unit owner.

Schneider also discussed the importance of following your co-op or

condominium's governing documents. Failure to do so could result in the dismissal of an action to collect the monies owed. The biggest issue regarding compliance with Governing Documents is adhering to the terms regarding late fees and penalties for non-payment.

In co-op's, Schneider advised the likelihood of collecting the monies owed is great. This is due to the fact that a co-op's maintenance is given priority over a co-op loan (commonly referred to as a mortgage). A lender is required to pay the maintenance arrears to the co-op in order to protect its interest in the stock and proprietary lease. A lender's failure to pay the maintenance after same is demanded could cause the lender to lose their interest in the Apartment.

In a condominium or home owners association,

however, a first mortgage, on the unit has priority over the condominium's common charges or the home owners association's assessments. Schneider



From left to right: Stu Hochron, GNCCC Co-Chair; Marc Schneider, Guest Speaker and GNCCC Legal Advisor; Fern Rogers, GNCCC Co-Chair

spoke about options for the home owners association's and condominiums which should be considered to collect monies owed. He said that under certain circumstances, a foreclosure of the Condominium's or home owners association's lien might not be the most financially prudent option. He discussed alternatives for collection and the analysis his firm undergoes when advising a board as to the best collection options.

Regardless of the process for collecting maintenance or common charges, Schneider suggests you enforce collection policies in a uniform manner so as to avoid a selective enforcement defense from a unit owner or shareholder in arrears. Schneider also spoke about things a board should not do:

Don't post the names of those individuals in arrears
Don't cut off essential

services (i.e. - heat, water, etc.)

If you would like more information about what can be done to collect the monies owed to your co-op, condominium or home owners association, you can contact Schneider at: (516) 393-5555.

The next scheduled meeting of the Co-op & Condo Council will be on Tuesday, November 8, 2011, at 7:30 PM at The Great Neck Arts Center located in the north parking lot on Maple Drive.

For more information, please contact the following:

Stu Hochron, Co-Chair
(516) 466-6443/stu@hochron.net (e-mail)

Fern Rogers, Co-Chair
(516) 487-4113

Marc H. Schneider, Esq., Legal Advisor (516) 393-5555/mschneider@schneidermitola.com (e-mail)