

ROME & ASSOCIATES, P.C.

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SUMMARY EXPLANATION OF DEFERRED ATTORNEY FEES

Approximately ten years ago, our firm developed the concept in Georgia for deferred payment of attorney collection fees. This was done in response to some associations having to pay more in attorney fees than the amount being collected. Deferred payment of attorney fees means our charges are incurred by the association at time of service, but not payable to us until we collect the funds to cover them from the delinquent homeowner.

The deferred payment approach is not a ‘contingency’ fee, in the sense that our firm does not retain a percentage of the association’s assessments. Instead, our set fees are added to the association’s account ledger for the delinquent homeowner. The end result is a transfer of the financial burden for the attorney fees from the association (those who pay on time) to the delinquent homeowner. In effect, it’s as though the delinquent homeowners are paying our attorney fees.

The only upfront, out-of-budget expense to the association is a \$45 setup fee per address, a \$250 upfront fee for suit, a portion of the post-judgment fees, and any costs charged by the court once a case is in suit. We do not file suit on an account unless directed to do so in writing by the association.

The filing costs for suit charged by courts in the Atlanta area range from about \$220 to \$270. There may be some additional court costs for such things as paying for a private process server, and garnishment of wages or bank accounts. Typically, none of these costs would individually amount to more than \$100. Any of the court costs fronted by the association are added to the amount being collected from the delinquent homeowner. Please feel free to contact our firm regarding any questions or for more detailed information.

<u>SERVICE</u>	<u>FEE AMOUNT</u>	<u>UPFRONT COST TO ASSOCIATION*</u>
Set-up File	\$45	\$45
Lien Letter & Title Search	\$75	NONE
Drafting & Filing of Lien	\$241	NONE
Reminder to Pay Letters	\$50	NONE
Title Update & Suit Warning Letter	\$100	NONE
Complaint & Summons	\$650	\$250 & Court Costs (<i>approx.. \$240 & \$75</i>)
Court/Mediation/Deposition (incl travel)	\$175 an hour	Actual Costs (<i>electronic filing fee</i>)
Default or Summary Judgment Motion	\$500	NONE
Garnishment (Bank or Wages)	\$175 & Court Cost	\$175 & Court Costs
Motion to Compel	\$250	\$100 & Court Costs
Motion for Contempt	\$350	\$125 & Court Costs
Foreclosure Fee (to close file)	\$50	\$50

The deferred fee also becomes due and payable if the Association: (i) places an account in error; (ii) does not promptly inform Firm of payments made on the account; (iii) closes or settles an account; (iv) transfers a file to another firm; (v) has another law firm or collector work the same account or address; (vi) retains another law firm for collections; (vii) does not pay for court costs needed to move forward with collections, (viii) does not file suit within the four year statute of limitations; or (ix) if either party terminates the Agreement. Association will also be responsible for immediate payment for any amount of deferred fees more than four years old from date of service and any deferred fees not awarded by the court in an Order or Judgment.