



KEOUGH
MOODY

October 2025
Newsletter



KEOUGH & MOODY'S LAST WEBINAR FOR 2025

**TRICKS OF THE TRADE TO FOLLOW WHEN TRYING TO
MAXIMIZE THE COLLECTION OF ASSESSMENTS**



November 5, 2025, 12:00 p.m.

2 hours of continuing education credit will be provided.

In July, we took a blast to the past and discussed the basics related to the collection of assessments. In this next webinar, Jonathan Wassell and Shannon Schwarzwaldler will discuss some tricks of the trade that allow an association to maximize the collection of assessments. Jonathan and Shannon will address steps to take before a file is turned over to the attorney for collection. In addition, they will also address what an association can do to collect the assessments once a judgment is entered in its favor. Come learn more about how a judgment can be satisfied by taking possession of a unit and/or pursuing a citation proceeding. Hear how a foreclosure filed by a mortgage company is not the end of the world. Jonathan and Shannon will talk about how an association can truly maximize what it can collect from an owner in default. The speakers will share war stories to show how it was done right and, of course, how it was done wrong. As you get ready for 2026 and look at next year's budget, sign up for this webinar that will provide tips and tricks to collect all that is due to your association. As always, time will be allowed for questions to be answered.

Registration is required for EVERY attendee to ensure continuing education credit can be given.

REGISTER HERE

“Tricks of the Trade to Follow When Trying to Maximize the Collection of Assessments” is approved by the Community Association Managers International Certification Board (CAMICB) to fulfill continuing education requirements for the CMCA® certification.

It is also approved by the IDFP to fulfill continuing education requirements for maintaining a community association manager license.



Don't Let Your Association's Delinquencies SPOOK You in 2026

Our next webinar will focus on maximizing the collection of assessments in 2026. During

our webinar in July, we provided a review of the collection process, and we talked about a community association's ability to utilize the eviction process to collect assessments. As we have said many times before, Illinois is unique in that community associations have the same tool that is available to landlords. After obtaining a judgment, an association can evict the non-paying unit owner and take possession of the unit. Sometimes the association will rent out the unit, and with the money collected from the tenant, the unit owner's debt to the association is paid down or off. Other times, the association has the unit owner evicted but does not place a tenant in the unit. While evicting the owner, even if the association decides not to rent the unit, is great leverage for the association, leaving the unit vacant can create problems. Vacant units, even ones that do not appear to be habitable, may attract squatters. After much outcry, Illinois recently amended the Code of Civil Procedure to allow for easier removal of unauthorized people in a unit through criminal trespass options. (735 ILCS 5/9-102). The recent amendment is designed to provide faster resolution for removal of unauthorized occupants, streamline the process for law enforcement, and mitigate risks, including continued property damage. Law enforcement has now been empowered to remove "persons from the premises when there is a criminal trespass," meaning that law enforcement can proceed with removal without the need to wait for the court to provide direction.

Taking possession of a unit is one way to collect unpaid assessments. While it is important for associations to proceed with action to collect assessments, there is more that the board of directors must do on a regular basis to keep collections under control and not to allow the association's books and records to frighten a board member or manager out of one's wits. As we get ready to say goodbye to 2025 and celebrate the arrival of 2026, now is the time to start implementing these practices, which will allow an association to stay ahead of delinquencies in 2026.

We often talk about collection policies and the benefit they provide to an association when collecting unpaid assessments. Collection policies help to ensure that the association is treating all delinquent owners in a fair and consistent manner. They also ensure that the association's collection team understands the process to be followed and what each team member's role is in the process. Collection policies should be reviewed on a regular basis. Now is the time to review the association's collection policy and determine if changes are needed. Reflect on what worked well this year and what was an issue. Talk to the association's counsel and managing agent about this and hear their recommendations on changes needed to the collection policy. Just as a collection policy is not a "one size fits all," it is also not a document that must stay the same year after year.

Like the collection policy, a review of the monthly delinquency report is a great tool for a board of directors and management to tackle the collection of assessments. Often, associations generate a monthly delinquency report, and it is included in the board packet. The delinquency report *needs* to be reviewed on a regular basis, and action must be taken on it. The report should be reviewed to confirm that it matches the summary report provided by the association's legal counsel related to files being pursued by the attorney. If a file is identified on the delinquency report as being turned over to the attorney, make sure that file is also on the attorney's status report. If it is not, find out why. Here are some reasons an account may not be on the attorney's report:

1. The account was never turned over to the attorney (so turn it over now if the

account meets the criteria as stated in the collection policy).

2. The account has now been paid in full (so make sure you received the payment and the owner's account is updated).
3. The attorney determined that the amount identified is uncollectible (so make sure you understand why it is uncollectible, update the owner's account, and understand how to avoid this in the future).

One reason an account may not be collectible is because the property was sold to a third party, either through a bona fide transaction or at a judicial sale. This is often referred to as a "settled account." Another time an account may be referred to as a settled account is if the owner filed for bankruptcy protection.



If an account is settled and reflects a delinquent balance, the board should review that account with its legal counsel to determine whether the debt should remain on the books or whether the board should write off that amount, as it is uncollectible. If the board elects to write off certain amounts, it should vote on the same at an open meeting and then take the necessary steps thereafter to have the accounts removed from its books. Often, we see associations forget to remove the accounts from the association's records.

Similarly, if an account is settled and reflects a credit balance, the board should determine why that account reflects a credit or prepaid amount. In some instances, it is because an account was inadvertently double paid at the time of closing (once by the owner and once by the title company). In other cases, it is because there are charges, such as attorney fee invoices, which need to be posted to the account (so while it appears there may be a credit balance, there is actually not once all outstanding invoices have been applied). Credit balances on settled accounts could reflect funds that are owed to a former unit owner. Therefore, the accounts should be reviewed by the board (and, if necessary, legal counsel) to determine whether there is a true credit on the account. If there is a true credit on the account, steps should be taken to return those funds to the former unit owners, including, if necessary, reporting the funds to the Illinois State Treasurer, as unclaimed funds. It is important that boards review these settled accounts on an annual basis so as to ensure that it heads into the new year with clean and accurate books.

When the attorney's status report is received, read it and act on it. If the attorney's status report states a matter is completed, be sure to update the owner's account as needed. As stated above, take any required action too. If the attorney needs direction, provide direction. If the board of directors or management does not understand the information provided by the attorney, ask the attorney specific questions or to explain the situation in more detail. If the status report does not show that progress is being made on a file, ask the attorney why. Like the collection policy and the delinquency report, the attorney's status report helps the board and management ensure the association is collecting assessments.

As you can see, the collection process for any association requires the board and management to review certain documents on a regular basis. The question for the board to

answer is who will complete these reviews on a regular basis. Is it the treasurer? Is it the manager? Is it certain members of the board of directors? Is it all of the above? The board not only should decide who is completing the review, but also how the results will be communicated to the rest of the board of directors. As part of every member of the board's fiduciary duty, each board member should be certain that steps are being taken to collect money owed to the association.

Even if an association has very few collections, it is best that every board knows what steps are to be taken on a regular basis to avoid scary books and records. For a better understanding of what else you can do to help an association maximize the collection of assessments, we hope you attend our November 5th webinar.

Chuck Keough (cmk@kmlegal.com), Dawn Moody (dln@kmlegal.com), and Gabby Comstock (grc@kmlegal.com)

The materials contained in this Newsletter have been prepared by Keough & Moody, P.C. and are intended for informational purposes only and are not legal advice. This Newsletter contains information on legal issues and is not a substitute for legal advice from a qualified attorney licensed in the appropriate jurisdiction. Keough & Moody expressly disclaims all liability with respect to actions taken or not taken based on any or all of the contents of this Newsletter.

Naperville
630-369-2700

Chicago
312-899-9989

www.kmlegal.com
info@kmlegal.com

STAY CONNECTED



Share This Email



Share This Email



Share This Email

Keough & Moody, P.C.,
114 East Van Buren, Naperville, IL 60540



Keough & Moody, P.C. | 114 East Van Buren | Naperville, IL 60540 US

[Unsubscribe](#) | [Update Profile](#) | [Constant Contact Data Notice](#)



Try email marketing for free today!