BRK LLC

ILLINOIS ASSESSMENT COLLECTION POLICY REQUIREMENTS IN EFFECT JANUARY 1, 2027

November 2026

Effective January 1, 2027, all Illinois community associations subject to the Illinois Condominium Property Act ("Condo Act") or the Common Interest Community Association Act ("CICAA") must have a written assessment collection policy on file. Although collection policies generally are useful for all community associations, this new requirement does not apply to master associations, non-condominium community associations which are not covered by CICAA, or housing cooperatives. The new requirement applies to residential, commercial, and mixed-use associations. The new statutory provisions establishing the collection policy requirements are Condo Act Section 18.4(t) and CICAA Section 1-45(j), respectively.

The new collection policy requirement is not mere suggestion - it is a true mandate. Associations subject to the new requirement will be prohibited from taking legal action to collect common expenses unless a compliant written collection policy has been adopted and is being followed by the association.

The collection policy must address, at a minimum, the following seven elements:

1. The date upon which common expenses are due and when an assessment is considered delinquent.
2. The late fees and/or interest the association is authorized to charge.
3. Any returned check ("NSF") charges the association may impose.
4. The circumstances, if any, under which a unit owner is entitled to enter into a payment plan and the minimum terms of the payment plan.
5. The amount owed or duration of time that triggers referral to an attorney for legal action.
6. The method by which payments may be applied to a delinquent account.
7. The legal remedies available to the association under its governing documents and Illinois law.

The new collection policy requirement also amends the resale disclosure requirements under both the Condo Act and CICAA. A copy of the association's collection policy must be included in the disclosure package provided to prospective purchasers at the time of any unit resale. The new statutory provisions amending the disclosure requirements are Condo Act Section 22.1(a)(10) and CICAA Section 1-35(d)(8), respectively.

If your association wishes that BRK prepare its collection policy, please email your primary attorney contact at BRK. Please include a copy of the most recent version of the association's rules and regulations with your email. BRK would then review your association's governing documents, evaluate whether the rules and regulations must be amended or whether the collection policy can be adopted as a board policy resolution, prepare a collection policy which conforms to your association's governing documents and is otherwise customized for your association, and provide the association with an email explaining the required approval procedures. In most cases, our fee for handling the above work will range from $465 - $700, depending on factors such as whether the rules and regulations must be amended.

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BRK requests that all associations with active assessment collection files provide our office with copies of their approved collection policies (if they have not already done so). Failure to adopt a proper collection policy could compromise pending or future assessment collection efforts. BRK will require that all associations which send us new accounts for collection have a collection policy on file.

If you have questions regarding the collection policy requirements, please feel free to contact Bartzen Rosenlund Kasten LLC at 312.450.6655 or info@brkchicago.com.

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