

CERTIFICATION OF ENROLLMENT

**ENGROSSED SECOND SUBSTITUTE SENATE BILL 5686**

Chapter 393, Laws of 2025

69th Legislature  
2025 Regular Session

FORECLOSURE MEDIATION PROGRAM—EXPANSION

EFFECTIVE DATE: July 27, 2025—Except for sections 1 through 4 and 11 through 14, which take effect January 1, 2026; and sections 5 through 7, which take effect January 1, 2028.

Passed by the Senate April 24, 2025  
Yeas 27 Nays 19

DENNY HECK

**President of the Senate**

Passed by the House April 23, 2025  
Yeas 56 Nays 41

Laurie Jinkins

**Speaker of the House of  
Representatives**

Approved May 20, 2025 11:02 AM

BOB FERGUSON

**Governor of the State of Washington**

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE SENATE BILL 5686** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

**Secretary**

FILED

May 21, 2025

**Secretary of State  
State of Washington**

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ENGROSSED SECOND SUBSTITUTE SENATE BILL 5686

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AS AMENDED BY THE HOUSE

Passed Legislature - 2025 Regular Session

State of Washington

69th Legislature

2025 Regular Session

By Senate Ways & Means (originally sponsored by Senators Orwall, Frame, Hasegawa, and Nobles)

READ FIRST TIME 02/28/25.

1 AN ACT Relating to expanding and funding the foreclosure  
2 mediation program; amending RCW 61.24.005, 61.24.163, 61.24.165,  
3 61.24.165, 61.24.005, 61.24.172, 64.32.200, 64.34.364, 64.38.100,  
4 64.90.485, 64.32.170, 64.34.372, 64.38.045, and 64.90.495; adding new  
5 sections to chapter 61.24 RCW; providing effective dates; and  
6 providing an expiration date.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 **Sec. 1.** RCW 61.24.005 and 2021 c 151 s 2 are each amended to  
9 read as follows:

10 The definitions in this section apply throughout this chapter  
11 unless the context clearly requires otherwise.

12 (1) "Affiliate of beneficiary" means any entity which controls,  
13 is controlled by, or is under common control with a beneficiary.

14 (2) "Assessment" means all sums chargeable by the association  
15 against a unit, including any assessments levied for common expenses,  
16 fines or fees levied or imposed by the association pursuant to  
17 chapters 64.32, 64.34, 64.38, and 64.90 RCW or the governing  
18 documents, interest and late charges on any delinquent account, and  
19 all costs of collection incurred by the association in connection  
20 with the collection of a delinquent owner's account, including  
21 reasonable attorneys' fees.

1        (3) "Association" means an association subject to chapter 64.32,  
2 64.34, 64.38, or 64.90 RCW.

3        (4) "Beneficiary" means the holder of the instrument or document  
4 evidencing the obligations secured by the deed of trust, excluding  
5 persons holding the same as security for a different obligation.

6        ~~((+3))~~ (5) "Borrower" means a person or a general partner in a  
7 partnership, including a joint venture, that is liable for all or  
8 part of the obligations secured by the deed of trust under the  
9 instrument or other document that is the principal evidence of such  
10 obligations, or the person's successors if they are liable for those  
11 obligations under a written agreement with the beneficiary.

12        ~~((+4))~~ (6) "Commercial loan" means a loan that is not made  
13 primarily for personal, family, or household purposes.

14        ~~((+5))~~ (7) "Department" means the department of commerce or its  
15 designee.

16        ~~((+6))~~ (8) "Fair value" means the value of the property  
17 encumbered by a deed of trust that is sold pursuant to a trustee's  
18 sale. This value shall be determined by the court or other  
19 appropriate adjudicator by reference to the most probable price, as  
20 of the date of the trustee's sale, which would be paid in cash or  
21 other immediately available funds, after deduction of prior liens and  
22 encumbrances with interest to the date of the trustee's sale, for  
23 which the property would sell on such date after reasonable exposure  
24 in the market under conditions requisite to a fair sale, with the  
25 buyer and seller each acting prudently, knowledgeably, and for self-  
26 interest, and assuming that neither is under duress.

27        ~~((+7))~~ (9) "Grantor" means a person, or its successors, who  
28 executes a deed of trust to encumber the person's interest in  
29 property as security for the performance of all or part of the  
30 borrower's obligations.

31        ~~((+8))~~ (10) "Guarantor" means any person and its successors who  
32 is not a borrower and who guarantees any of the obligations secured  
33 by a deed of trust in any written agreement other than the deed of  
34 trust.

35        ~~((+9))~~ (11) "Housing counselor" means a housing counselor that  
36 has been approved by the United States department of housing and  
37 urban development or approved by the Washington state housing finance  
38 commission.

1       ~~((10))~~    (12) "Notice of delinquency" means a notice of  
2 delinquency as that phrase is used in chapters 64.32, 64.34, 64.38,  
3 and 64.90 RCW.

4       (13) "Owner-occupied" means property that is the principal  
5 residence of the borrower.

6       ~~((11))~~    (14) "Person" means any natural person, or legal or  
7 governmental entity.

8       ~~((12))~~    (15) "Record" and "recorded" includes the appropriate  
9 registration proceedings, in the instance of registered land.

10       ~~((13))~~   (16) "Residential real property" means property  
11 consisting solely of a single-family residence, a residential  
12 condominium unit, or a residential cooperative unit. For the purposes  
13 of the application of RCW 61.24.163, residential real property  
14 includes residential real property of up to four units.

15       ~~((14))~~   (17) "Senior beneficiary" means the beneficiary of a  
16 deed of trust that has priority over any other deeds of trust  
17 encumbering the same residential real property.

18       ~~((15))~~   (18) "Tenant-occupied property" means property  
19 consisting solely of residential real property that is the principal  
20 residence of a tenant subject to chapter 59.18 RCW or other building  
21 with four or fewer residential units that is the principal residence  
22 of a tenant subject to chapter 59.18 RCW.

23       ~~((16))~~   (19) "Trustee" means the person designated as the  
24 trustee in the deed of trust or appointed under RCW 61.24.010(2).

25       ~~((17))~~   (20) "Trustee's sale" means a nonjudicial sale under a  
26 deed of trust undertaken pursuant to this chapter.

27       (21) "Unit owner" means an owner of an apartment, unit, or lot in  
28 an association subject to chapter 64.32, 64.34, 64.38, or 64.90 RCW.

29       NEW SECTION.   **Sec. 2.** A new section is added to chapter 61.24  
30 RCW to read as follows:

31       (1) A unit owner who is or may become delinquent to an  
32 association for an assessment charged may contact a housing counselor  
33 to receive housing counseling services.

34       (2) Housing counselors have a duty to act in good faith to assist  
35 unit owners by:

36       (a) Preparing the unit owner for meetings with the association;

37       (b) Advising the unit owner about what documents the unit owner  
38 must have to seek a repayment plan, modification, or other resolution

1 of an assessment charged or that may be charged in the future by the  
2 association;

3 (c) Informing the unit owner about the alternatives to  
4 foreclosure, including a repayment plan, modification, or other  
5 possible resolution of an assessment charged or that may be charged  
6 in the future by the association; and

7 (d) Providing other guidance, advice, and education as the  
8 housing counselor considers necessary.

9 (3) Nothing in RCW 64.32.200, 64.34.364, 64.38.100, 64.90.485, or  
10 this section precludes a meeting or negotiations between the housing  
11 counselor, unit owner, and the association at any time, including  
12 after the issuance of a notice of delinquency by the association for  
13 past due assessments to the unit owner by the association.

14 (4) A unit owner who seeks the assistance of a housing counselor  
15 may use the assistance of an attorney at any time.

16 (5) (a) A housing counselor or attorney assisting a unit owner may  
17 refer the unit owner to mediation, pursuant to RCW 61.24.163.

18 (b) Prior to referring the unit owner to mediation, the housing  
19 counselor or attorney shall submit a written request to the  
20 association on behalf of the unit owner requesting that the unit  
21 owner and association meet and confer over the assessment charged.

22 (c) The meet and confer session should occur within 30 days of  
23 the housing counselor's or attorney's request to the association to  
24 meet and confer, or at a later date as otherwise agreed by the  
25 parties.

26 (d) During the meet and confer session, the participants must  
27 address the issues which led to the delinquency that may enable the  
28 unit owner and the association to reach a resolution including, but  
29 not limited to, a delinquent assessment payment plan, waiver of  
30 association imposed late fees or attorneys' fees, modification of a  
31 delinquent assessment, modification of late fees or charges  
32 associated with a delinquent assessment, or any other workout plan.

33 (e) The meet and confer session may be held by telephone or  
34 videoconference.

35 (f) For the meet and confer session, the unit owner and the  
36 association shall be responsible for their own respective attorneys'  
37 fees, if any are incurred. Legal representation is not required for  
38 either party participating in the meet and confer session.

1 (g) Following the meet and confer session, the housing counselor  
2 or attorney shall determine whether mediation is appropriate based on  
3 the individual circumstances.

4 (h) If the association refuses to participate in the meet and  
5 confer session within 30 days of the request, or otherwise fails to  
6 respond to the request within 30 days, then the unit owner may be  
7 referred to mediation pursuant to RCW 61.24.163.

8 (i) If the unit owner refuses to participate in the meet and  
9 confer session after it has been scheduled, then the housing  
10 counselor or attorney may not refer the matter to mediation; however,  
11 when a notice of trustee's sale has been recorded creating  
12 insufficient time to meet and confer, or where a judgment in  
13 foreclosure is pending and there is insufficient time to meet and  
14 confer, a unit owner may be referred to mediation regardless of  
15 whether the unit owner participates in a meet and confer session.

16 (6) During the time period between the date that the request to  
17 meet and confer is made and the date that the meet and confer session  
18 with the association is held, the association is prohibited from  
19 charging to the unit owner any attorneys' fees the association may  
20 have incurred attempting to collect the past due assessment.

21 (7) The referral to mediation may be made at any time after the  
22 meet and confer session occurs, after refusal to participate by the  
23 association, or after 30 days has passed since the request was made  
24 with no response from the association, but no later than 90 days  
25 prior to the date of sale listed in a notice of trustee's sale  
26 provided to the unit owner, or for a judicial foreclosure, at any  
27 time prior to the entry of a judgment in foreclosure. If an amended  
28 notice of trustee's sale is recorded after the trustee sale has been  
29 stayed pursuant to RCW 61.24.130, the unit owner may be referred to  
30 mediation no later than 25 days prior to the date of sale listed in  
31 the amended notice of trustee's sale. Nothing in this section  
32 requires a delay or prohibits the referral of a unit owner to  
33 mediation once a notice of trustee's sale has been recorded or  
34 judicial foreclosure has been filed.

35 (8) Housing counselors providing assistance to unit owners under  
36 this section are not liable for civil damages resulting from any acts  
37 or omissions in providing assistance, unless the acts or omissions  
38 constitute gross negligence or willful or wanton misconduct.

39 (9) Housing counselors shall provide information to the  
40 department to assist the department in its annual report to the

1 legislature as required under RCW 61.24.163(22). The information  
2 provided to the department by the housing counselors should include  
3 outcomes of foreclosures and be similar to the information requested  
4 in the national foreclosure mortgage counseling client level  
5 foreclosure outcomes report form.

6 **Sec. 3.** RCW 61.24.163 and 2023 c 206 s 5 are each amended to  
7 read as follows:

8 (1) The foreclosure mediation program established in this section  
9 applies only to borrowers or unit owners who have been referred to  
10 mediation by a housing counselor or attorney. The mediation program  
11 under this section is not governed by chapter 7.07 RCW and does not  
12 preclude mediation required by a court or other provision of law.

13 (2) For deed of trust foreclosure, the referral to mediation may  
14 be made any time after a notice of default has been issued but no  
15 later than 90 days prior to the date of sale listed in the notice of  
16 trustee's sale. If an amended notice of trustee's sale is recorded  
17 after the trustee sale has been stayed pursuant to RCW 61.24.130, the  
18 borrower may be referred to mediation no later than 25 days prior to  
19 the date of sale listed in the amended notice of trustee's sale. If  
20 the borrower has failed to elect to mediate within the applicable  
21 time frame, the borrower and the beneficiary may, but are under no  
22 duty to, agree in writing to enter the foreclosure mediation program.  
23 ~~((The mediation program under this section is not governed by chapter~~  
24 ~~7.07 RCW and does not preclude mediation required by a court or other~~  
25 ~~provision of law.~~

26 ~~(2))~~ (3) For association foreclosures, the referral to mediation  
27 may be made as specified in section 2(7) of this act. If the unit  
28 owner has failed to elect to mediate within the applicable time  
29 frame, the unit owner and the association may, but are under no duty  
30 to, agree in writing to enter the foreclosure mediation program.

31 (4) A housing counselor or attorney referring a borrower or unit  
32 owner to mediation shall send a notice to the borrower or unit owner  
33 and the department, stating that mediation is appropriate.

34 ~~((3))~~ (5) Within 10 days of receiving the notice, the  
35 department shall:

36 (a) Send a notice to the beneficiary or association, the borrower  
37 or unit owner, the housing counselor or attorney who referred the  
38 borrower, and the trustee, if applicable, stating that the parties  
39 have been referred to mediation. The notice must include the

1 statements and list of documents and information described in  
2 subsections ~~((4))~~ (6) and ~~((5))~~ (7) of this section and a  
3 statement explaining each party's responsibility to pay the  
4 mediator's fee; and

5 (b) Select a mediator and notify the parties of the selection.

6 ~~((4) Within))~~ (6) For deed of trust foreclosures:

7 (a) Within 23 days of the department's notice that the parties  
8 have been referred to mediation, the borrower shall transmit the  
9 documents required for mediation to the mediator and the beneficiary.  
10 The required documents include an initial homeowner financial  
11 information worksheet as required by the department. The worksheet  
12 must include, at a minimum, the following information:

13 ~~((a))~~ (i) The borrower's current and future income;

14 ~~((b))~~ (ii) Debts and obligations;

15 ~~((c))~~ (iii) Assets;

16 ~~((d))~~ (iv) Expenses;

17 ~~((e))~~ (v) Tax returns for the previous two years;

18 ~~((f))~~ (vi) Hardship information;

19 ~~((g))~~ (vii) Other applicable information commonly required by  
20 any applicable federal mortgage relief program.

21 ~~((5))~~ (b) Within 20 days of the beneficiary's receipt of the  
22 borrower's documents under this subsection, the beneficiary shall  
23 transmit the documents required for mediation to the mediator and the  
24 borrower. The required documents include:

25 ~~((a))~~ (i) An accurate statement containing the balance of the  
26 loan within 30 days of the date on which the beneficiary's documents  
27 are due to the parties;

28 ~~((b))~~ (ii) Copies of the note and deed of trust;

29 ~~((c))~~ (iii) Proof that the entity claiming to be the  
30 beneficiary is the owner of any promissory note or obligation secured  
31 by the deed of trust. Sufficient proof may be a copy of the  
32 declaration described in RCW 61.24.030(7)(a);

33 ~~((d))~~ (iv) The best estimate of any arrearage and an itemized  
34 statement of the arrearages;

35 ~~((e))~~ (v) An itemized list of the best estimate of fees and  
36 charges outstanding;

37 ~~((f))~~ (vi) The payment history and schedule for the preceding  
38 twelve months, or since default, whichever is longer, including a  
39 breakdown of all fees and charges claimed;



1       ~~((g))~~ (vii) All borrower-related and mortgage-related input  
2 data used in any net present values analysis. If no net present  
3 values analysis is required by the applicable federal mortgage relief  
4 program, then the input data required under the federal deposit  
5 insurance corporation and published in the federal deposit insurance  
6 corporation loan modification program guide, or if that calculation  
7 becomes unavailable, substantially similar input data as determined  
8 by the department;

9       ~~((h))~~ (viii) An explanation regarding any denial for a loan  
10 modification, forbearance, or other alternative to foreclosure in  
11 sufficient detail for a reasonable person to understand why the  
12 decision was made;

13       ~~((i))~~ (ix) Appraisal or other broker price opinion most  
14 recently relied upon by the beneficiary not more than 90 days old at  
15 the time of the scheduled mediation; and

16       ~~((j))~~ (x) The portion or excerpt of the pooling and servicing  
17 agreement or other investor restriction that prohibits the  
18 beneficiary from implementing a modification, if the beneficiary  
19 claims it cannot implement a modification due to limitations in a  
20 pooling and servicing agreement or other investor restriction, and  
21 documentation or a statement detailing the efforts of the beneficiary  
22 to obtain a waiver of the pooling and servicing agreement or other  
23 investor restriction provisions.

24       ~~((6))~~ (7) For association foreclosures:

25       (a) Within 23 days of the department's notice that the parties  
26 have been referred to mediation, the association shall transmit the  
27 documents required for mediation to the mediator and the unit owner.  
28 The required documents include:

29       (i) An itemized ledger for the preceding 12 months, or since the  
30 assessments became past due, whichever is longer. The ledger shall  
31 include an itemized list of all dues, fines, special assessments, and  
32 any other charges owed, with the date and amount for each item. The  
33 ledger should include the total balance owed at the time the ledger  
34 is transmitted, accurate within 30 days of the date on which the  
35 association's documents are due to the parties;

36       (ii) Copies of all association liens placed against the property;

37       (iii) Copies of the current association declarations, bylaws, and  
38 any other governing documents for the association.

39       (b) Within 20 days of the unit owner's receipt of the  
40 association's documents, the unit owner shall transmit the documents

1 required for mediation to the mediator and the association. The  
2 required documents include:

3 (i) Evidence of any unit owner payments to the association that  
4 are not reflected on the association ledger, if any;

5 (ii) Statement of hardship, if relevant;

6 (iii) If the unit owner is interested in a payment plan, a  
7 proposed schedule of payments to resolve the arrears.

8 (8) Within 70 days of receiving the referral from the department,  
9 the mediator shall convene a mediation session in the county where  
10 the property is located, unless the parties agree on another  
11 location. The parties may agree to extend the time in which to  
12 schedule the mediation session. If the parties agree to extend the  
13 time, the beneficiary or association shall notify the trustee, if  
14 applicable, of the extension and the date the mediator is expected to  
15 issue the mediator's certification.

16 ~~((+7))~~ (9)(a) The mediator may schedule phone conferences,  
17 consultations with the parties individually, and other communications  
18 to ensure that the parties have all the necessary information and  
19 documents to engage in a productive mediation.

20 (b) The mediator must send written notice of the time, date, and  
21 location of the mediation session to the borrower or unit owner, the  
22 beneficiary or association, and the department at least 30 days prior  
23 to the mediation session. At a minimum, the notice must contain:

24 (i) A statement that the borrower or unit owner may be  
25 represented in the mediation session by an attorney or other  
26 advocate;

27 (ii) A statement that a person with authority to agree to a  
28 resolution, including a proposed settlement, loan modification,  
29 repayment plan for assessments, modification of obligations related  
30 to the payment of assessments, or dismissal or continuation of the  
31 foreclosure proceeding, must be present either in person or on the  
32 telephone or videoconference during the mediation session; and

33 (iii) A statement that the parties have a duty to mediate in good  
34 faith and that failure to mediate in good faith may impair the  
35 beneficiary's or association's ability to foreclose on the property  
36 or the borrower's or unit owner's ability to modify the loan, modify  
37 obligations relating to the payment of assessments, or take advantage  
38 of other alternatives to foreclosure.

39 ~~((+8))~~ (10)(a) The borrower, the beneficiary or authorized  
40 agent, and the mediator must meet in person for the mediation

1 session. In an association foreclosure, the unit owner and  
2 association or authorized agent and the mediator are encouraged to  
3 meet in person for the mediation session, but may meet by telephone  
4 or videoconference. However, a person with authority to agree to a  
5 resolution on behalf of the beneficiary or association may be present  
6 over the telephone or videoconference during the mediation session.

7 (b) After the mediation session commences, the mediator may  
8 continue the mediation session once, and any further continuances  
9 must be with the consent of the parties.

10 ((~~(9)~~The)) (11) For deed of trust foreclosures, the participants  
11 in mediation must address the issues of foreclosure that may enable  
12 the borrower and the beneficiary to reach a resolution, including but  
13 not limited to reinstatement, modification of the loan, restructuring  
14 of the debt, or some other workout plan. To assist the parties in  
15 addressing issues of foreclosure, the mediator may require the  
16 participants to consider the following:

17 (a) The borrower's current and future economic circumstances,  
18 including the borrower's current and future income, debts, and  
19 obligations for the previous 60 days or greater time period as  
20 determined by the mediator;

21 (b) The net present value of receiving payments pursuant to a  
22 modified mortgage loan as compared to the anticipated net recovery  
23 following foreclosure;

24 (c) Any affordable loan modification calculation and net present  
25 value calculation when required under any federal mortgage relief  
26 program and any modification program related to loans insured by the  
27 federal housing administration, the veterans administration, and the  
28 rural housing service. If such a calculation is not provided or  
29 required, then the beneficiary must provide the net present value  
30 data inputs established by the federal deposit insurance corporation  
31 and published in the federal deposit insurance corporation loan  
32 modification program guide or other net present value data inputs as  
33 designated by the department. The mediator may run the calculation in  
34 order for a productive mediation to occur and to comply with the  
35 mediator certification requirement; and

36 (d) Any other loss mitigation guidelines to loans insured by the  
37 federal housing administration, the veterans administration, and the  
38 rural housing service, if applicable.

39 ((~~(10)~~)) (12) For association foreclosures, the participants in  
40 mediation must address the issues which led to foreclosure that may

1 enable the unit owner and the association to reach a resolution  
2 including, but not limited to, a delinquent assessment payment plan,  
3 waiver of association imposed late fees or attorneys' fees,  
4 modification of a delinquent assessment, modification of late fees or  
5 charges associated with a delinquent assessment, or any other workout  
6 plan.

7 (13) A violation of the duty to mediate in good faith as required  
8 under this section may include:

9 (a) Failure to timely participate in mediation without good  
10 cause;

11 (b) Failure of the borrower ~~((or))~~, the unit owner, the  
12 beneficiary, or the association to provide the documentation required  
13 before mediation or pursuant to the mediator's instructions;

14 (c) Failure of a party to designate representatives with adequate  
15 authority to fully settle, compromise, or otherwise reach resolution  
16 with the borrower or unit owner in mediation; ~~((and))~~

17 (d) A request by a beneficiary that the borrower waive future  
18 claims he or she may have in connection with the deed of trust, as a  
19 condition of agreeing to a modification, except for rescission claims  
20 under the federal truth in lending act. Nothing in this section  
21 precludes a beneficiary from requesting that a borrower dismiss with  
22 prejudice any pending claims against the beneficiary, its agents,  
23 loan servicer, or trustee, arising from the underlying deed of trust,  
24 as a condition of modification; and

25 (e) A request by the association that the unit owner waive future  
26 claims against the association. Nothing in this section precludes an  
27 association from requesting that a unit owner dismiss any civil  
28 claims against the association related to the present delinquency.

29 ~~((+11+))~~ (14) If the mediator reasonably believes a borrower or  
30 unit owner will not attend a mediation session based on the  
31 borrower's or unit owner's conduct, such as the lack of response to  
32 the mediator's communications, the mediator may cancel a scheduled  
33 mediation session and send a written cancellation to the department  
34 and the trustee and send copies to the parties. The beneficiary or  
35 association may proceed with the foreclosure after receipt of the  
36 mediator's written confirmation of cancellation.

37 ~~((+12+))~~ (15) Within seven business days after the conclusion of  
38 the mediation session, the mediator must send a written certification  
39 to the department and the trustee and send copies to the parties of:

40 (a) The date, time, and location of the mediation session;

1 (b) The names of all persons attending in person and by telephone  
2 or videoconference, at the mediation session;

3 (c) Whether a resolution was reached by the parties, including  
4 whether the default or delinquency was cured by reinstatement,  
5 modification, or restructuring of the debt, repayment plan, or some  
6 other alternative to foreclosure was agreed upon by the parties;

7 (d) Whether the parties participated in the mediation in good  
8 faith; and

9 (e) ~~((1f))~~ For deed of trust foreclosures, if a written agreement  
10 was not reached, a description of any net present value test used,  
11 along with a copy of the inputs, including the result of any net  
12 present value test expressed in a dollar amount.

13 ~~((13))~~ (16) If the parties are unable to reach an agreement,  
14 the beneficiary or association may proceed with the foreclosure after  
15 receipt of the mediator's written certification.

16 ~~((14))~~ (17) (a) The mediator's certification that the  
17 beneficiary or association failed to act in good faith in mediation  
18 constitutes a defense to the nonjudicial foreclosure action that was  
19 the basis for initiating the mediation. In any action to enjoin the  
20 foreclosure, the beneficiary or association is entitled to rebut the  
21 allegation that it failed to act in good faith.

22 (b) The mediator's certification that the beneficiary or  
23 association failed to act in good faith during mediation does not  
24 constitute a defense to a judicial foreclosure or a future  
25 nonjudicial foreclosure action if a modification of the loan or  
26 delinquent assessment payment plan is agreed upon and the borrower  
27 subsequently defaults or unit owner fails to pay assessments.

28 (c) If an affordable loan modification is not offered in the  
29 mediation or a written agreement was not reached and the mediator's  
30 certification shows that the net present value of the modified loan  
31 exceeds the anticipated net recovery at foreclosure, that showing in  
32 the certification constitutes a basis for the borrower to enjoin the  
33 foreclosure.

34 ~~((15))~~ (18) The mediator's certification that the borrower or  
35 unit owner failed to act in good faith in mediation authorizes the  
36 beneficiary or association to proceed with the foreclosure.

37 ~~((16))~~ (19) (a) If a borrower or unit owner has been referred to  
38 mediation before a notice of trustee sale has been recorded, a  
39 trustee may not record the notice of sale until the trustee receives  
40 the mediator's certification stating that the mediation has been

1 completed. If the trustee does not receive the mediator's  
2 certification, the trustee may record the notice of sale after 10  
3 days from the date the certification to the trustee was due. If,  
4 after a notice of sale is recorded under this subsection (~~((16))~~)  
5 (19)(a), the mediator subsequently issues a certification finding  
6 that the beneficiary or association violated the duty of good faith,  
7 the certification constitutes a basis for the borrower or unit owner  
8 to enjoin the foreclosure.

9 (b) If a borrower or unit owner has been referred to mediation  
10 after the notice of sale was recorded, the sale may not occur until  
11 the trustee receives the mediator's certification stating that the  
12 mediation has been completed.

13 (~~((17))~~) (c) If a unit owner has been referred to mediation  
14 before the filing of a judicial foreclosure, the association may not  
15 file a complaint for judicial foreclosure until the association  
16 receives the mediator's certification stating that the mediation has  
17 been completed. If a unit owner has been referred to mediation after  
18 the filing of a judicial foreclosure, but prior to the issuance of a  
19 judgment in the foreclosure action, the association may not seek  
20 judgment in the foreclosure action until the association receives the  
21 mediator's certification stating that the mediation has been  
22 completed. If the association does not receive the mediator's  
23 certification, the association may file for judicial foreclosure or  
24 move for judgment in a judicial foreclosure action after 10 days from  
25 the date the certification to the association was due. If an  
26 association entitled to bring a judicial foreclosure action  
27 participates in mediation under this section, the time spent in  
28 mediation shall not be a part of the time limited for the  
29 commencement of the judicial foreclosure action.

30 (20) A mediator may charge reasonable fees as authorized by this  
31 subsection or as authorized by the department. Unless the fee is  
32 waived, the parties agree otherwise, or the department otherwise  
33 authorizes, a foreclosure mediator's fee may not exceed \$400 for  
34 preparing, scheduling, and conducting a mediation session lasting  
35 between one hour and three hours. For a mediation session exceeding  
36 three hours, the foreclosure mediator may charge a reasonable fee, as  
37 authorized by the department. The mediator must provide an estimated  
38 fee before the mediation, and payment of the mediator's fee must be  
39 divided equally between the beneficiary and the borrower, or between  
40 the association and the unit owner. The beneficiary and the borrower,

1 or the association and the unit owner, must tender the ((loan))  
2 mediator's fee within 30 calendar days from receipt of the  
3 department's letter referring the parties to mediation or pursuant to  
4 the mediator's instructions.

5 ((+18+)) (21) For association foreclosures, the unit owner and  
6 the association shall be responsible for their own respective  
7 attorneys' fees, if any are incurred during mediation under this  
8 section. Legal representation is not required for either party  
9 participating in an association foreclosure mediation.

10 (22) Beginning December 1, 2012, and every year thereafter, the  
11 department shall report annually to the legislature on:

12 (a) The performance of the program, including the number((s)) of  
13 borrowers who are referred to mediation by a housing counselor or  
14 attorney. Beginning December 1, 2026, the report must also include  
15 the number of unit owners who are referred to mediation by a housing  
16 counselor or attorney;

17 (b) The results of the mediation program, including the number of  
18 mediations requested by housing counselors and attorneys, the number  
19 of certifications of good faith issued, the number of borrowers and  
20 beneficiaries who failed to mediate in good faith, and the reasons  
21 for the failure to mediate in good faith, if known, the numbers of  
22 loans restructured or modified, the change in the borrower's monthly  
23 payment for principal and interest and the number of principal write-  
24 downs and interest rate reductions, and, to the extent practical, the  
25 number of borrowers who report a default within a year of  
26 restructuring or modification. Beginning December 1, 2026, the report  
27 must also include the number of unit owners and associations who  
28 failed to mediate in good faith, and the reasons for the failure to  
29 mediate in good faith, if known, the number of debts for delinquent  
30 assessments restructured or modified, the change in the unit owner's  
31 periodic assessment payments including any reductions in late charges  
32 or interest rates, and, to the extent practical, the number of unit  
33 owners who report a delinquency within a year of restructuring or  
34 modification;

35 (c) The information received by housing counselors regarding  
36 outcomes of foreclosures; and

37 (d) Any recommendations for changes to the statutes regarding the  
38 mediation program.

39 ((+19+)) (23) This section does not apply to certain federally  
40 insured depository institutions, as specified in RCW 61.24.166.

1       (24) The department shall make information and resources  
2 regarding common interest community foreclosures and related  
3 foreclosure programs and resources publicly available online. The  
4 information shall be made available in language translations that the  
5 department provides in its other programs and when the information is  
6 requested verbally the department shall use a phone-based or other  
7 similar interpretive service. The information to be provided must  
8 include, but is not limited to, the following:

- 9       (a) The housing counseling program;  
10       (b) The meet and confer process;  
11       (c) The foreclosure mediation program;  
12       (d) Language translations of the notice of delinquency for past  
13 due assessments; and  
14       (e) Any other programs and resources that the department  
15 determines are relevant.

16       **Sec. 4.** RCW 61.24.165 and 2023 c 206 s 6 are each amended to  
17 read as follows:

18       (1) Except as provided in subsection (3) of this section, RCW  
19 61.24.163 applies only to deeds of trust that are recorded against  
20 residential real property of up to four units.

21       (2) RCW 61.24.163 does not apply to deeds of trust:

- 22       (a) Securing a commercial loan;  
23       (b) Securing obligations of a grantor who is not the borrower or  
24 a guarantor;  
25       (c) Securing a purchaser's obligations under a seller-financed  
26 sale; or  
27       (d) Where the grantor is a partnership, corporation, or limited  
28 liability company, or where the property is vested in a partnership,  
29 corporation, or limited liability company at the time the notice of  
30 default is issued.

31       (3) RCW 61.24.163 ((does not apply to association beneficiaries  
32 subject to chapter 64.32, 64.34, or 64.38 RCW)) also applies to  
33 associations seeking to foreclose liens or deficiencies via  
34 nonjudicial or judicial foreclosure.

35       (4) For purposes of referral and mediation under RCW 61.24.163, a  
36 person may be referred to mediation if the borrower or unit owner is  
37 deceased and the person is a successor in interest of the deceased  
38 borrower or unit owner. The referring counselor or attorney must  
39 determine a person's eligibility under this section and indicate the



1 grounds for eligibility on the referral to mediation submitted to the  
2 department. For the purposes of mediation under RCW 61.24.163, the  
3 person must be treated as a "borrower" or "unit owner." This  
4 subsection does not impose an affirmative duty on the beneficiary to  
5 accept an assumption of the loan.

6 (5) For purposes of referral and mediation under RCW 61.24.163, a  
7 person may be referred to mediation if the person has been awarded  
8 title to the property in a proceeding for dissolution or legal  
9 separation. The referring counselor or attorney must determine the  
10 person's eligibility under this section and indicate the grounds for  
11 eligibility on the referral to mediation submitted to the department.  
12 For the purposes of mediation under RCW 61.24.163, the person must be  
13 treated as a "borrower" or "unit owner." This subsection does not  
14 impose an affirmative duty on the beneficiary to accept an assumption  
15 of the loan.

16 NEW SECTION. **Sec. 5.** A new section is added to chapter 61.24  
17 RCW to read as follows:

18 (1) A unit owner who is or may become delinquent to an  
19 association for an assessment charged may contact a housing counselor  
20 to receive housing counseling services.

21 (2) Housing counselors have a duty to act in good faith to assist  
22 unit owners by:

23 (a) Preparing the unit owner for meetings with the association;

24 (b) Advising the unit owner about what documents the unit owner  
25 must have to seek a repayment plan, modification, or other resolution  
26 of an assessment charged or that may be charged in the future by the  
27 association;

28 (c) Informing the unit owner about the alternatives to  
29 foreclosure, including a repayment plan, modification, or other  
30 possible resolution of an assessment charged or that may be charged  
31 in the future by the association; and

32 (d) Providing other guidance, advice, and education as the  
33 housing counselor considers necessary.

34 (3) Nothing in RCW 64.90.485 or this section precludes a meeting  
35 or negotiations between the housing counselor, unit owner, and the  
36 association at any time, including after the issuance of a notice of  
37 delinquency by the association for past due assessments to the unit  
38 owner by the association.

1 (4) A unit owner who seeks the assistance of a housing counselor  
2 may use the assistance of an attorney at any time.

3 (5) (a) A housing counselor or attorney assisting a unit owner may  
4 refer the unit owner to mediation, pursuant to RCW 61.24.163.

5 (b) Prior to referring the unit owner to mediation, the housing  
6 counselor or attorney shall submit a written request to the  
7 association on behalf of the owner requesting that the unit owner and  
8 association meet and confer over the assessment charged.

9 (c) The meet and confer session should occur within 30 days of  
10 the housing counselor's or attorney's request to the association to  
11 meet and confer, or at a later date as otherwise agreed by the  
12 parties.

13 (d) During the meet and confer session, the participants must  
14 address the issues which led to the delinquency that may enable the  
15 unit owner and the association to reach a resolution including, but  
16 not limited to, a delinquent assessment payment plan, waiver of  
17 association imposed late fees or attorneys' fees, modification of a  
18 delinquent assessment, modification of late fees or charges  
19 associated with a delinquent assessment, or any other workout plan.

20 (e) The meet and confer session may be held by telephone or  
21 videoconference.

22 (f) For the meet and confer session, the unit owner and the  
23 association shall be responsible for their own respective attorneys'  
24 fees, if any are incurred. Legal representation is not required for  
25 either party participating in the meet and confer session.

26 (g) Following the meet and confer session, the housing counselor  
27 or attorney shall determine whether mediation is appropriate based on  
28 the individual circumstances.

29 (h) If the association refuses to participate in the meet and  
30 confer session within 30 days of the request, or otherwise fails to  
31 respond to the request within 30 days, then the unit owner may be  
32 referred to mediation pursuant to RCW 61.24.163.

33 (i) If the unit owner refuses to participate in the meet and  
34 confer session after it has been scheduled, then the housing  
35 counselor or attorney may not refer the matter to mediation; however,  
36 when a notice of trustee's sale has been recorded creating  
37 insufficient time to meet and confer, or where a judgment in  
38 foreclosure is pending and there is insufficient time to meet and  
39 confer, a unit owner may be referred to mediation regardless of  
40 whether the unit owner participates in a meet and confer session.

1 (6) During the time period between the date that the request to  
2 meet and confer is made and the date that the meet and confer session  
3 with the association is held, the association is prohibited from  
4 charging to the unit owner any attorneys' fees the association may  
5 have incurred attempting to collect the past due assessment.

6 (7) The referral to mediation may be made at any time after the  
7 meet and confer session occurs, after refusal to participate by the  
8 association, or after 30 days has passed since the request was made  
9 with no response from the association, but no later than 90 days  
10 prior to the date of sale listed in a notice of trustee's sale  
11 provided to the unit owner, or for a judicial foreclosure, at any  
12 time prior to the entry of a judgment in foreclosure. If an amended  
13 notice of trustee's sale is recorded after the trustee sale has been  
14 stayed pursuant to RCW 61.24.130, the unit owner may be referred to  
15 mediation no later than 25 days prior to the date of sale listed in  
16 the amended notice of trustee's sale. Nothing in this section  
17 requires a delay or prohibits the referral of a unit owner to  
18 mediation once a notice of trustee's sale has been recorded or a  
19 judicial foreclosure has been filed.

20 (8) Housing counselors providing assistance to unit owners under  
21 this section are not liable for civil damages resulting from any acts  
22 or omissions in providing assistance, unless the acts or omissions  
23 constitute gross negligence or willful or wanton misconduct.

24 (9) Housing counselors shall provide information to the  
25 department to assist the department in its annual report to the  
26 legislature as required under RCW 61.24.163(22). The information  
27 provided to the department by the housing counselors should include  
28 outcomes of foreclosures and be similar to the information requested  
29 in the national foreclosure mortgage counseling client level  
30 foreclosure outcomes report form.

31 **Sec. 6.** RCW 61.24.165 and 2024 c 321 s 413 are each amended to  
32 read as follows:

33 (1) Except as provided in subsection (3) of this section, RCW  
34 61.24.163 applies only to deeds of trust that are recorded against  
35 residential real property of up to four units.

36 (2) RCW 61.24.163 does not apply to deeds of trust:

37 (a) Securing a commercial loan;

38 (b) Securing obligations of a grantor who is not the borrower or  
39 a guarantor;

1 (c) Securing a purchaser's obligations under a seller-financed  
2 sale; or

3 (d) Where the grantor is a partnership, corporation, or limited  
4 liability company, or where the property is vested in a partnership,  
5 corporation, or limited liability company at the time the notice of  
6 default is issued.

7 (3) RCW 61.24.163 (~~((does not apply to association beneficiaries~~  
8 ~~subject to chapter 64.90 RCW))~~ also applies to associations seeking  
9 to foreclose liens or deficiencies via nonjudicial or judicial  
10 foreclosure.

11 (4) For purposes of referral and mediation under RCW 61.24.163, a  
12 person may be referred to mediation if the borrower or unit owner is  
13 deceased and the person is a successor in interest of the deceased  
14 borrower or unit owner. The referring counselor or attorney must  
15 determine a person's eligibility under this section and indicate the  
16 grounds for eligibility on the referral to mediation submitted to the  
17 department. For the purposes of mediation under RCW 61.24.163, the  
18 person must be treated as a "borrower" or "unit owner." This  
19 subsection does not impose an affirmative duty on the beneficiary to  
20 accept an assumption of the loan.

21 (5) For purposes of referral and mediation under RCW 61.24.163, a  
22 person may be referred to mediation if the person has been awarded  
23 title to the property in a proceeding for dissolution or legal  
24 separation. The referring counselor or attorney must determine the  
25 person's eligibility under this section and indicate the grounds for  
26 eligibility on the referral to mediation submitted to the department.  
27 For the purposes of mediation under RCW 61.24.163, the person must be  
28 treated as a "borrower" or "unit owner." This subsection does not  
29 impose an affirmative duty on the beneficiary to accept an assumption  
30 of the loan.

31 **Sec. 7.** RCW 61.24.005 and 2021 c 151 s 2 are each amended to  
32 read as follows:

33 The definitions in this section apply throughout this chapter  
34 unless the context clearly requires otherwise.

35 (1) "Affiliate of beneficiary" means any entity which controls,  
36 is controlled by, or is under common control with a beneficiary.

37 (2) "Assessment" means all sums chargeable by the association  
38 against a unit, including any assessments levied for common expenses,  
39 finances or fees levied or imposed by the association pursuant to

chapter 64.90 RCW or the governing documents, interest and late charges on any delinquent account, and all costs of collection incurred by the association in connection with the collection of a delinquent owner's account, including reasonable attorneys' fees.

(3) "Association" means an association subject to chapter 64.90 RCW.

(4) "Beneficiary" means the holder of the instrument or document evidencing the obligations secured by the deed of trust, excluding persons holding the same as security for a different obligation.

~~((3))~~ (5) "Borrower" means a person or a general partner in a partnership, including a joint venture, that is liable for all or part of the obligations secured by the deed of trust under the instrument or other document that is the principal evidence of such obligations, or the person's successors if they are liable for those obligations under a written agreement with the beneficiary.

~~((4))~~ (6) "Commercial loan" means a loan that is not made primarily for personal, family, or household purposes.

~~((5))~~ (7) "Department" means the department of commerce or its designee.

~~((6))~~ (8) "Fair value" means the value of the property encumbered by a deed of trust that is sold pursuant to a trustee's sale. This value shall be determined by the court or other appropriate adjudicator by reference to the most probable price, as of the date of the trustee's sale, which would be paid in cash or other immediately available funds, after deduction of prior liens and encumbrances with interest to the date of the trustee's sale, for which the property would sell on such date after reasonable exposure in the market under conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under duress.

~~((7))~~ (9) "Grantor" means a person, or its successors, who executes a deed of trust to encumber the person's interest in property as security for the performance of all or part of the borrower's obligations.

~~((8))~~ (10) "Guarantor" means any person and its successors who is not a borrower and who guarantees any of the obligations secured by a deed of trust in any written agreement other than the deed of trust.

~~((9))~~ (11) "Housing counselor" means a housing counselor that has been approved by the United States department of housing and

1 urban development or approved by the Washington state housing finance  
2 commission.

3 ~~((10))~~ (12) "Notice of delinquency" means a notice of  
4 delinquency as that phrase is used in chapter 64.90 RCW.

5 (13) "Owner-occupied" means property that is the principal  
6 residence of the borrower.

7 ~~((11))~~ (14) "Person" means any natural person, or legal or  
8 governmental entity.

9 ~~((12))~~ (15) "Record" and "recorded" includes the appropriate  
10 registration proceedings, in the instance of registered land.

11 ~~((13))~~ (16) "Residential real property" means property  
12 consisting solely of a single-family residence, a residential  
13 condominium unit, or a residential cooperative unit. For the purposes  
14 of the application of RCW 61.24.163, residential real property  
15 includes residential real property of up to four units.

16 ~~((14))~~ (17) "Senior beneficiary" means the beneficiary of a  
17 deed of trust that has priority over any other deeds of trust  
18 encumbering the same residential real property.

19 ~~((15))~~ (18) "Tenant-occupied property" means property  
20 consisting solely of residential real property that is the principal  
21 residence of a tenant subject to chapter 59.18 RCW or other building  
22 with four or fewer residential units that is the principal residence  
23 of a tenant subject to chapter 59.18 RCW.

24 ~~((16))~~ (19) "Trustee" means the person designated as the  
25 trustee in the deed of trust or appointed under RCW 61.24.010(2).

26 ~~((17))~~ (20) "Trustee's sale" means a nonjudicial sale under a  
27 deed of trust undertaken pursuant to this chapter.

28 (21) "Unit owner" means an owner of a unit in an association  
29 subject to chapter 64.90 RCW.

30 NEW SECTION. Sec. 8. A new section is added to chapter 61.24  
31 RCW to read as follows:

32 (1) For each residential mortgage loan, as defined in RCW  
33 31.04.015(24), originated within or outside of the state of  
34 Washington and related to property located within the state of  
35 Washington, excepting only reverse mortgage loans issued to seniors  
36 over the age of 61, a foreclosure prevention fee of \$80 shall be  
37 assessed and due and payable at the time of closing by the escrow  
38 agent or other settlement or closing agent processing the loan  
39 closing into the foreclosure fairness account created in RCW

61.24.172. This foreclosure prevention fee may be financed in the loan and paid from the loan proceeds or from any borrower cash contribution at the time of closing. The department may make policies and procedures related to the implementation, collection, remittance, and management of the fee and may enter into individualized agreements governing the efficient remittance of the fee.

(2) At or before the time that the foreclosure prevention fee is assessed under subsection (1) of this section, the escrow agent or other settlement or closing agent must provide the borrower with a notice of the foreclosure prevention fee and its purpose. The department must create a notice form that an escrow agent or other settlement or closing agent may use to satisfy this notice requirement. The notice form must include the toll-free numbers for the statewide foreclosure hotline recommended by the housing finance commission.

**Sec. 9.** RCW 61.24.172 and 2021 c 151 s 9 are each amended to read as follows:

The foreclosure fairness account is created in the custody of the state treasurer. All receipts received under RCW 61.24.174, as it existed prior to July 1, 2016, 61.24.173, ~~((and))~~ 61.24.190, and section 8 of this act must be deposited into the account. Only the director of the department of commerce or the director's designee may authorize expenditures from the account. Funding to agencies and organizations under this section must be provided by the department through an interagency agreement or other applicable contract instrument. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. ~~((Biennial expenditures from the account must be used as follows: Four hundred thousand dollars to fund the counselor referral hotline.))~~ The ~~((remaining))~~ funds shall be distributed as follows: (1) ~~((Sixty-nine))~~ 50 percent for the purposes of providing housing counseling activities to benefit borrowers; (2) eight percent to the office of the attorney general to be used by the consumer protection division to enforce this chapter; (3) ~~((six))~~ 16.5 percent to the office of civil legal aid to be used for the purpose of contracting with qualified legal aid programs for legal representation of homeowners in matters relating to foreclosure; (4) 15 percent to fund the foreclosure prevention hotline; (5) 0.5 percent to fund outreach; and (6) 10 percent to the department to be

1 used for implementation and operation of the foreclosure fairness  
2 act. Funds provided under ~~((this))~~ subsection (3) of this section  
3 must be used to supplement, not supplant, other federal, state, and  
4 local funds ~~((; and (4) seventeen percent to the department to be used~~  
5 ~~for implementation and operation of the foreclosure fairness act))~~.

6 The department shall enter into interagency agreements to  
7 contract with the Washington state housing finance commission and  
8 other appropriate entities to implement the foreclosure fairness act.

9 NEW SECTION. **Sec. 10.** A new section is added to chapter 61.24  
10 RCW to read as follows:

11 By December 31, 2025, the department shall provide a report to  
12 the appropriate committees of the legislature on the number and  
13 amounts received from the notice of default fee remitted under RCW  
14 61.24.190 and the foreclosure prevention fee remitted under section 8  
15 of this act into the foreclosure fairness account authorized under  
16 RCW 61.24.172 for revenue collected from July 1, 2025, through  
17 November 30, 2025, and then post such information on the department  
18 website annually thereafter.

19 **Sec. 11.** RCW 64.32.200 and 2023 c 214 s 2 are each amended to  
20 read as follows:

21 (1) The declaration may provide for the collection of all sums  
22 assessed by the association of apartment owners for the share of the  
23 common expenses chargeable to any apartment and the collection may be  
24 enforced in any manner provided in the declaration including, but not  
25 limited to, (a) 10 days notice shall be given the delinquent  
26 apartment owner to the effect that unless such assessment is paid  
27 within 10 days any or all utility services will be forthwith severed  
28 and shall remain severed until such assessment is paid, or (b)  
29 collection of such assessment may be made by such lawful method of  
30 enforcement, judicial or extra-judicial, as may be provided in the  
31 declaration and/or bylaws.

32 (2) All sums assessed by the association of apartment owners but  
33 unpaid for the share of the common expenses chargeable to any  
34 apartment shall constitute a lien on such apartment prior to all  
35 other liens except only (a) tax liens on the apartment in favor of  
36 any assessing unit and/or special district, and (b) all sums unpaid  
37 on all mortgages of record. Such lien is not subject to the ban  
38 against execution or forced sales of homesteads under RCW 6.13.080



1 and, subject to the provisions in subsection (5) of this section, may  
2 be foreclosed by suit by the manager or board of directors, acting on  
3 behalf of the apartment owners, in like manner as a mortgage of real  
4 property. In any such foreclosure the apartment owner shall be  
5 required to pay a reasonable rental for the apartment, if so provided  
6 in the bylaws, and the plaintiff in such foreclosures shall be  
7 entitled to the appointment of a receiver to collect the same. The  
8 manager or board of directors, acting on behalf of the apartment  
9 owners, shall have power, unless prohibited by the declaration, to  
10 bid on the apartment at foreclosure sale, and to acquire and hold,  
11 lease, mortgage, and convey the same. Upon an express waiver in the  
12 complaint of any right to a deficiency judgment, the period of  
13 redemption shall be eight months after the sale. Suit to recover any  
14 judgment for any unpaid common expenses shall be maintainable without  
15 foreclosing or waiving the liens securing the same.

16 (3) Where the mortgagee of a mortgage of record or other  
17 purchaser of an apartment obtains possession of the apartment as a  
18 result of foreclosure of the mortgage, such possessor, his or her  
19 successors and assigns shall not be liable for the share of the  
20 common expenses or assessments by the association of apartment owners  
21 chargeable to such apartment which became due prior to such  
22 possession. Such unpaid share of common expenses or assessments shall  
23 be deemed to be common expenses collectible from all of the apartment  
24 owners including such possessor, his or her successors and assigns.

25 (4) (a) ~~((When the association, or the manager or board of~~  
26 ~~directors on its behalf, mails to the apartment owner by first-class~~  
27 ~~mail the first notice of delinquency for past due assessments to the~~  
28 ~~apartment address and to any other address that the owner has~~  
29 ~~provided to the association, the association shall include a first~~  
30 ~~preforeclosure notice that states))~~ No later than 30 days after an  
31 assessment becomes past due, an association must provide a notice of  
32 delinquency to an apartment owner by first-class mail that meets the  
33 following criteria. The notice of delinquency must:

34 (i) Be mailed to the apartment address and to any other address  
35 that an apartment owner has provided to the association for the  
36 transmission of notice, and by email if the apartment owner's  
37 electronic address is known to the association;

38 (ii) Be provided in English and any other language indicated as a  
39 preference for correspondence by an apartment owner. Translation

inaccuracies shall not diminish a good faith effort to provide notice  
in a preferred language other than English; and  
(iii) Include a first preforeclosure notice that states as  
follows:

**THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**  
**FROM THE APARTMENT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.**  
**THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING**  
**YOUR HOME.**  
**CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW**  
to assess your situation and refer you to mediation if you might  
benefit. **DO NOT DELAY.**  
**BE CAREFUL** of people who claim they can help you. There are many  
individuals and businesses that prey upon borrowers in distress.  
**REFER TO THE CONTACTS BELOW** for sources of assistance.

**SEEKING ASSISTANCE**

Housing counselors and legal assistance may be available at  
little or no cost to you. Housing counselors and attorneys may assist  
you in meeting and conferring with your association to resolve the  
past due assessments, and based on the circumstances refer you to the  
foreclosure mediation program. If you would like assistance in  
determining your rights and opportunities to keep your house, you may  
contact the following:

The statewide foreclosure hotline for assistance and referral to  
housing counselors recommended by the Housing Finance Commission

Telephone: . . . . . Website: . . . . .

The United States Department of Housing and Urban Development

Telephone: . . . . . Website: . . . . .

The statewide civil legal aid hotline for assistance and  
referrals to other housing counselors and attorneys

Telephone: . . . . . Website: . . . . .

The association shall obtain the toll-free numbers and website  
information from the department of commerce for inclusion in the  
notice.

(b) Notwithstanding any other provisions of this chapter, until  
the 15th day after providing an apartment owner with a notice of  
delinquency that meets the requirements in (a) of this subsection, an  
association may not:

(i) Take any other action to collect a delinquent assessment; or

1       (ii) Charge an apartment owner for any costs related to the  
2 collection of the delinquent assessment except for:

3       (A) The actual costs of printing and mailing the notice of  
4 delinquency;

5       (B) An administrative fee of no more than \$10 related to  
6 providing the notice of delinquency; and

7       (C) A single late fee of no more than \$50 or five percent of the  
8 amount of the unpaid assessment which triggered the fee, whichever is  
9 less.

10       (c) If, when a delinquent account is referred to an association's  
11 attorney, the first preforeclosure notice required under (a) of this  
12 subsection has not yet been mailed to the apartment owner, the  
13 association or the association's attorney shall mail the first  
14 preforeclosure notice to the apartment owner in order to satisfy the  
15 requirement in (a) of this subsection.

16       ~~((+e))~~ (d) Mailing the first preforeclosure notice pursuant to  
17 (a) of this subsection does not satisfy the requirement in subsection  
18 (5)(b) of this section to mail a second preforeclosure notice at or  
19 after the date that assessments have become past due for at least 90  
20 days. The second preforeclosure notice may not be mailed sooner than  
21 60 days after the first preforeclosure notice is mailed.

22       (e) The association must maintain the preforeclosure information  
23 required under this section and make it available to apartment owners  
24 in accordance with RCW 64.32.170.

25       (5) An association, or the manager or board of directors on its  
26 behalf, may not commence an action to foreclose a lien on an  
27 apartment under this section unless:

28       (a) The apartment owner, at the time the action is commenced,  
29 owes at least a sum equal to the greater of:

30       (i) Three months or more of assessments, not including fines,  
31 late charges, interest, attorneys' fees, or costs incurred by the  
32 association in connection with the collection of a delinquent owner's  
33 account; or

34       (ii) \$2,000 of assessments, not including fines, late charges,  
35 interest, attorneys' fees, or costs incurred by the association in  
36 connection with the collection of a delinquent owner's account;

37       (b) At or after the date that assessments have become past due  
38 for at least 90 days, but no sooner than 60 days after the first  
39 preforeclosure notice required in subsection (4)(a) of this section  
40 is mailed, the association has mailed, by first-class mail, to the

owner, at the apartment address and to any other address which the owner has provided to the association, a second notice of delinquency, which must include a second preforeclosure notice that contains the same information as the first preforeclosure notice provided to the apartment owner pursuant to subsection (4)(a) of this section. The second preforeclosure notice may not be mailed sooner than 60 days after the first preforeclosure notice required in subsection (4)(a) of this section is mailed;

(c) At least 90 days have elapsed from the date the minimum amount required in (a) of this subsection has accrued; (~~and~~)

(d) If the apartment owner was referred to mediation pursuant to RCW 61.24.163, until the mediation is completed and the certification of mediation is issued or after 10 days from the date the mediator's certification was due to the association; and

(e) The board approves commencement of a foreclosure action specifically against that apartment.

(6) Every aspect of a collection, foreclosure, sale, or other conveyance under this section, including the method, advertising, time, date, place, and terms, must be commercially reasonable.

**Sec. 12.** RCW 64.34.364 and 2023 c 214 s 4 are each amended to read as follows:

(1) The association has a lien on a unit for any unpaid assessments levied against a unit from the time the assessment is due.

(2) A lien under this section shall be prior to all other liens and encumbrances on a unit except: (a) Liens and encumbrances recorded before the recording of the declaration; (b) a mortgage on the unit recorded before the date on which the assessment sought to be enforced became delinquent; and (c) liens for real property taxes and other governmental assessments or charges against the unit. A lien under this section is not subject to the provisions of chapter 6.13 RCW.

(3) Except as provided in subsections (4) and (5) of this section, the lien shall also be prior to the mortgages described in subsection (2)(b) of this section to the extent of assessments for common expenses, excluding any amounts for capital improvements, based on the periodic budget adopted by the association pursuant to RCW 64.34.360(1) which would have become due during the six months immediately preceding the date of a sheriff's sale in an action for

1 judicial foreclosure by either the association or a mortgagee, the  
2 date of a trustee's sale in a nonjudicial foreclosure by a mortgagee,  
3 or the date of recording of the declaration of forfeiture in a  
4 proceeding by the vendor under a real estate contract.

5 (4) The priority of the association's lien against units  
6 encumbered by a mortgage held by an eligible mortgagee or by a  
7 mortgagee which has given the association a written request for a  
8 notice of delinquent assessments shall be reduced by up to three  
9 months if and to the extent that the lien priority under subsection  
10 (3) of this section includes delinquencies which relate to a period  
11 after such holder becomes an eligible mortgagee or has given such  
12 notice and before the association gives the holder a written notice  
13 of the delinquency. This subsection does not affect the priority of  
14 mechanics' or material suppliers' liens, or the priority of liens for  
15 other assessments made by the association.

16 (5) If the association forecloses its lien under this section  
17 nonjudicially pursuant to chapter 61.24 RCW, as provided by  
18 subsection (9) of this section, the association shall not be entitled  
19 to the lien priority provided for under subsection (3) of this  
20 section.

21 (6) Unless the declaration otherwise provides, if two or more  
22 associations have liens for assessments created at any time on the  
23 same real estate, those liens have equal priority.

24 (7) Recording of the declaration constitutes record notice and  
25 perfection of the lien for assessments. While no further recording of  
26 any claim of lien for assessment under this section shall be required  
27 to perfect the association's lien, the association may record a  
28 notice of claim of lien for assessments under this section in the  
29 real property records of any county in which the condominium is  
30 located. Such recording shall not constitute the written notice of  
31 delinquency to a mortgagee referred to in subsection (2) of this  
32 section.

33 (8) A lien for unpaid assessments and the personal liability for  
34 payment of assessments is extinguished unless proceedings to enforce  
35 the lien or collect the debt are instituted within three years after  
36 the amount of the assessments sought to be recovered becomes due.

37 (9) The lien arising under this section may be enforced  
38 judicially by the association or its authorized representative in the  
39 manner set forth in chapter 61.12 RCW. The lien arising under this  
40 section may be enforced nonjudicially in the manner set forth in

chapter 61.24 RCW for nonjudicial foreclosure of deeds of trust if the declaration (a) contains a grant of the condominium in trust to a trustee qualified under RCW 61.24.010 to secure the obligations of the unit owners to the association for the payment of assessments, (b) contains a power of sale, (c) provides in its terms that the units are not used principally for agricultural or farming purposes, and (d) provides that the power of sale is operative in the case of a default in the obligation to pay assessments. The association or its authorized representative shall have the power, unless prohibited by the declaration, to purchase the unit at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the same. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption shall be eight months. Nothing in this section shall prohibit an association from taking a deed in lieu of foreclosure.

(10) From the time of commencement of an action by the association to foreclose a lien for nonpayment of delinquent assessments against a unit that is not occupied by the owner thereof, the association shall be entitled to the appointment of a receiver to collect from the lessee thereof the rent for the unit as and when due. If the rental is not paid, the receiver may obtain possession of the unit, refurbish it for rental up to a reasonable standard for rental units in this type of condominium, rent the unit or permit its rental to others, and apply the rents first to the cost of the receivership and attorneys' fees thereof, then to the cost of refurbishing the unit, then to applicable charges, then to costs, fees, and charges of the foreclosure action, and then to the payment of the delinquent assessments. Only a receiver may take possession and collect rents under this subsection, and a receiver shall not be appointed less than 90 days after the delinquency. The exercise by the association of the foregoing rights shall not affect the priority of preexisting liens on the unit.

(11) Except as provided in subsection (3) of this section, the holder of a mortgage or other purchaser of a unit who obtains the right of possession of the unit through foreclosure shall not be liable for assessments or installments thereof that became due prior to such right of possession. Such unpaid assessments shall be deemed to be common expenses collectible from all the unit owners, including such mortgagee or other purchaser of the unit. Foreclosure of a mortgage does not relieve the prior owner of personal liability for

1 assessments accruing against the unit prior to the date of such sale  
2 as provided in this subsection.

3 (12) In addition to constituting a lien on the unit, each  
4 assessment shall be the joint and several obligation of the owner or  
5 owners of the unit to which the same are assessed as of the time the  
6 assessment is due. In a voluntary conveyance, the grantee of a unit  
7 shall be jointly and severally liable with the grantor for all unpaid  
8 assessments against the grantor up to the time of the grantor's  
9 conveyance, without prejudice to the grantee's right to recover from  
10 the grantor the amounts paid by the grantee therefor. Suit to recover  
11 a personal judgment for any delinquent assessment shall be  
12 maintainable in any court of competent jurisdiction without  
13 foreclosing or waiving the lien securing such sums.

14 (13) The association may from time to time establish reasonable  
15 late charges and a rate of interest to be charged on all subsequent  
16 delinquent assessments or installments thereof. In the absence of  
17 another established nonusurious rate, delinquent assessments shall  
18 bear interest from the date of delinquency at the maximum rate  
19 permitted under RCW 19.52.020 on the date on which the assessments  
20 became delinquent.

21 (14) The association shall be entitled to recover any costs and  
22 reasonable attorneys' fees incurred in connection with the collection  
23 of delinquent assessments, whether or not such collection activities  
24 result in suit being commenced or prosecuted to judgment. In  
25 addition, the association shall be entitled to recover costs and  
26 reasonable attorneys' fees if it prevails on appeal and in the  
27 enforcement of a judgment.

28 (15) The association upon written request shall furnish to a unit  
29 owner or a mortgagee a statement signed by an officer or authorized  
30 agent of the association setting forth the amount of unpaid  
31 assessments against that unit. The statement shall be furnished  
32 within fifteen days after receipt of the request and is binding on  
33 the association, the board of directors, and every unit owner, unless  
34 and to the extent known by the recipient to be false.

35 (16) To the extent not inconsistent with this section, the  
36 declaration may provide for such additional remedies for collection  
37 of assessments as may be permitted by law.

38 (17) (a) (~~When the association mails to the unit owner by first-~~  
39 ~~class mail the first notice of delinquency for past due assessments~~  
40 ~~to the unit address and to any other address that the owner has~~

provided to the association, the association shall include a first preforeclosure notice that states)) No later than 30 days after an assessment becomes past due, an association must provide a notice of delinquency to a unit owner by first-class mail that meets the following criteria. The notice of delinquency must:

(i) Be mailed to the unit address and to any other address that a unit owner has provided to the association for the transmission of notice, and by email if the unit owner's electronic address is known to the association;

(ii) Be provided in English and any other language indicated as a preference for correspondence by a unit owner. Translation inaccuracies shall not diminish a good faith effort to provide notice in a preferred language other than English; and

(iii) Include a first preforeclosure notice that states as follows:

**THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS  
FROM THE UNIT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.  
THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING  
YOUR HOME.**

**CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW**  
to assess your situation and refer you to mediation if you might benefit. **DO NOT DELAY.**

**BE CAREFUL** of people who claim they can help you. There are many individuals and businesses that prey upon borrowers in distress.

**REFER TO THE CONTACTS BELOW** for sources of assistance.

#### **SEEKING ASSISTANCE**

Housing counselors and legal assistance may be available at little or no cost to you. Housing counselors and attorneys may assist you in meeting and conferring with your association to resolve the past due assessments, and based on the circumstances refer you to the foreclosure mediation program. If you would like assistance in determining your rights and opportunities to keep your house, you may contact the following:

The statewide foreclosure hotline for assistance and referral to housing counselors recommended by the Housing Finance Commission

Telephone: . . . . . Website: . . . . .

The United States Department of Housing and Urban Development

Telephone: . . . . . Website: . . . . .



1       The statewide civil legal aid hotline for assistance and  
2 referrals to other housing counselors and attorneys

3       Telephone: . . . . . Website: . . . . .

4       The association shall obtain the toll-free numbers and website  
5 information from the department of commerce for inclusion in the  
6 notice.

7       **(b) Notwithstanding any other provisions of this chapter, until**  
8 **the 15th day after providing a unit owner with a notice of**  
9 **delinquency that meets the requirements in (a) of this subsection, an**  
10 **association may not:**

11       **(i) Take any other action to collect a delinquent assessment; or**

12       **(ii) Charge a unit owner for any costs related to the collection**  
13 **of the delinquent assessment except for:**

14       **(A) The actual costs of printing and mailing the notice of**  
15 **delinquency;**

16       **(B) An administrative fee of no more than \$10 related to**  
17 **providing the notice of delinquency; and**

18       **(C) A single late fee of no more than \$50 or five percent of the**  
19 **amount of the unpaid assessment which triggered the fee, whichever is**  
20 **less.**

21       **(c)** If, when a delinquent account is referred to an association's  
22 attorney, the first preforeclosure notice required under (a) of this  
23 subsection has not yet been mailed to the unit owner, the association  
24 or the association's attorney shall mail the first preforeclosure  
25 notice to the unit owner in order to satisfy the requirement in (a)  
26 of this subsection.

27       ~~((e))~~ **(d)** Mailing the first preforeclosure notice pursuant to  
28 (a) of this subsection does not satisfy the requirement in subsection  
29 (18)(b) of this section to mail a second preforeclosure notice at or  
30 after the date that assessments have become past due for at least 90  
31 days. The second preforeclosure notice may not be mailed sooner than  
32 60 days after the first preforeclosure notice is mailed.

33       **(e) The association must maintain the preforeclosure information**  
34 **required under this section and make it available to unit owners in**  
35 **accordance with RCW 64.34.372.**

36       (18) An association may not commence an action to foreclose a  
37 lien on a unit under this section unless:

38       (a) The unit owner, at the time the action is commenced, owes at  
39 least a sum equal to the greater of:

1 (i) Three months or more of assessments, not including fines,  
2 late charges, interest, attorneys' fees, or costs incurred by the  
3 association in connection with the collection of a delinquent owner's  
4 account; or

5 (ii) \$2,000 of assessments, not including fines, late charges,  
6 interest, attorneys' fees, or costs incurred by the association in  
7 connection with the collection of a delinquent owner's account;

8 (b) At or after the date that assessments have become past due  
9 for at least 90 days, but no sooner than 60 days after the first  
10 preforeclosure notice required in subsection (17)(a) of this section  
11 is mailed, the association has mailed, by first-class mail, to the  
12 owner, at the unit address and to any other address which the owner  
13 has provided to the association, a second notice of delinquency,  
14 which must include a second preforeclosure notice that contains the  
15 same information as the first preforeclosure notice provided to the  
16 unit owner pursuant to subsection (17)(a) of this section. The second  
17 preforeclosure notice may not be mailed sooner than 60 days after the  
18 first preforeclosure notice required in subsection (17)(a) of this  
19 section is mailed;

20 (c) At least 90 days have elapsed from the date the minimum  
21 amount required in (a) of this subsection has accrued; ((and))

22 (d) If the unit owner has been referred to mediation pursuant to  
23 RCW 61.24.163, until the mediation is completed and the certification  
24 of mediation is issued or after 10 days from the date the mediator's  
25 certification was due to the association; and

26 (e) The board approves commencement of a foreclosure action  
27 specifically against that unit.

28 (19) Every aspect of a collection, foreclosure, sale, or other  
29 conveyance under this section, including the method, advertising,  
30 time, date, place, and terms, must be commercially reasonable.

31 **Sec. 13.** RCW 64.38.100 and 2023 c 214 s 6 are each amended to  
32 read as follows:

33 (1)(a) If the governing documents of an association provide for a  
34 lien on the lot of any owner for unpaid assessments, ((the  
35 association shall include the following first preforeclosure notice  
36 when mailing to the lot owner by first-class mail the first notice of  
37 delinquency to the lot address and to any other address that the  
38 owner has provided to the association)) no later than 30 days after  
39 an assessment becomes past due, an association must provide a notice

1 of delinquency to a lot owner by first-class mail that meets the  
2 following criteria. The notice of delinquency must:

3 (i) Be mailed to the lot address and to any other address that a  
4 lot owner has provided to the association for the transmission of  
5 notice, and by email if the lot owner's electronic address is known  
6 to the association;

7 (ii) Be provided in English and any other language indicated as a  
8 preference for correspondence by a lot owner. Translation  
9 inaccuracies shall not diminish a good faith effort to provide notice  
10 in a preferred language other than English; and

11 (iii) Include a first preforeclosure notice that states as  
12 follows:

13 **THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS**  
14 **FROM THE HOMEOWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.**  
15 **THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING**  
16 **YOUR HOME.**

17 **CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW**  
18 **to assess your situation and refer you to mediation if you might**  
19 **benefit. DO NOT DELAY.**

20 **BE CAREFUL** of people who claim they can help you. There are many  
21 individuals and businesses that prey upon borrowers in distress.

22 **REFER TO THE CONTACTS BELOW** for sources of assistance.

23 **SEEKING ASSISTANCE**

24 Housing counselors and legal assistance may be available at  
25 little or no cost to you. Housing counselors and attorneys may assist  
26 you in meeting and conferring with your association to resolve the  
27 past due assessments, and based on the circumstances refer you to the  
28 foreclosure mediation program. If you would like assistance in  
29 determining your rights and opportunities to keep your house, you may  
30 contact the following:

31 The statewide foreclosure hotline for assistance and referral to  
32 housing counselors recommended by the Housing Finance Commission

33 Telephone: . . . . . Website: . . . . .

34 The United States Department of Housing and Urban Development

35 Telephone: . . . . . Website: . . . . .

36 The statewide civil legal aid hotline for assistance and  
37 referrals to other housing counselors and attorneys

38 Telephone: . . . . . Website: . . . . .

1 The association shall obtain the toll-free numbers and website  
2 information from the department of commerce for inclusion in the  
3 notice.

4 (b) Notwithstanding any other provisions of this chapter, until  
5 the 15th day after providing a lot owner with a notice of delinquency  
6 that meets the requirements in (a) of this subsection, an association  
7 may not:

8 (i) Take any other action to collect a delinquent assessment; or

9 (ii) Charge a lot owner for any costs related to the collection  
10 of the delinquent assessment except for:

11 (A) The actual costs of printing and mailing the notice of  
12 delinquency;

13 (B) An administrative fee of no more than \$10 related to  
14 providing the notice of delinquency; and

15 (C) A single late fee of no more than \$50 or five percent of the  
16 amount of the unpaid assessment which triggered the fee, whichever is  
17 less.

18 (c) If, when a delinquent account is referred to an association's  
19 attorney, the first preforeclosure notice required under (a) of this  
20 subsection has not yet been mailed to the lot owner, the association  
21 or the association's attorney shall mail the first preforeclosure  
22 notice to the lot owner in order to satisfy the requirement in (a) of  
23 this subsection.

24 ~~((e))~~ (d) Mailing the first preforeclosure notice pursuant to  
25 (a) of this subsection does not satisfy the requirement in subsection  
26 (2)(b) of this section to mail a second preforeclosure notice at or  
27 after the date that assessments have become past due for at least 90  
28 days. The second preforeclosure notice may not be mailed sooner than  
29 60 days after the first preforeclosure notice is mailed.

30 (e) The association must maintain the preforeclosure information  
31 required under this section and make it available to lot owners in  
32 accordance with RCW 64.38.045.

33 (2) If the governing documents of an association provide for a  
34 lien on the lot of any owner for unpaid assessments, the association  
35 may not commence an action to foreclose the lien unless:

36 (a) The lot owner, at the time the action is commenced, owes at  
37 least a sum equal to the greater of:

38 (i) Three months or more of assessments, not including fines,  
39 late charges, interest, attorneys' fees, or costs incurred by the

1 association in connection with the collection of a delinquent owner's  
2 account; or

3 (ii) \$2,000 of assessments, not including fines, late charges,  
4 interest, attorneys' fees, or costs incurred by the association in  
5 connection with the collection of a delinquent owner's account;

6 (b) At or after the date that assessments have become past due  
7 for at least 90 days, but no sooner than 60 days after the first  
8 preforeclosure notice required in subsection (1)(a) of this section  
9 is mailed, the association has mailed, by first-class mail, to the  
10 owner, at the lot address and to any other address which the owner  
11 has provided to the association, a second notice of delinquency,  
12 which must include a second preforeclosure notice that contains the  
13 same information as the first preforeclosure notice provided to the  
14 lot owner pursuant to subsection (1)(a) of this section. The second  
15 preforeclosure notice may not be mailed sooner than 60 days after the  
16 first preforeclosure notice required in subsection (1)(a) of this  
17 section is mailed;

18 (c) At least 90 days have elapsed from the date the minimum  
19 amount required in (a) of this subsection has accrued; (~~and~~)

20 (d) If the lot owner was referred to mediation pursuant to RCW  
21 61.24.163, until the mediation is completed and the certification of  
22 mediation is issued or after 10 days from the date the mediator's  
23 certification was due to the association;

24 (e) The board approves commencement of a foreclosure action  
25 specifically against that lot.

26 (3) Every aspect of a collection, foreclosure, sale, or other  
27 conveyance under this section, including the method, advertising,  
28 time, date, place, and terms, must be commercially reasonable.

29 **Sec. 14.** RCW 64.90.485 and 2024 c 321 s 319 are each amended to  
30 read as follows:

31 (1) The association has a statutory lien on each unit for any  
32 unpaid assessment against the unit from the time such assessment is  
33 due.

34 (2) A lien under this section has priority over all other liens  
35 and encumbrances on a unit except:

36 (a) Liens and encumbrances recorded before the recordation of the  
37 declaration and, in a cooperative, liens and encumbrances that the  
38 association creates, assumes, or takes subject to;

1 (b) Except as otherwise provided in subsection (3) of this  
2 section, a security interest on the unit recorded before the date on  
3 which the unpaid assessment became due or, in a cooperative, a  
4 security interest encumbering only the unit owner's interest and  
5 perfected before the date on which the unpaid assessment became due;  
6 and

7 (c) Liens for real estate taxes and other state or local  
8 governmental assessments or charges against the unit or cooperative.

9 (3)(a) A lien under this section also has priority over the  
10 security interests described in subsection (2)(b) of this section to  
11 the extent of an amount equal to the following:

12 (i) The common expense assessments, excluding any amounts for  
13 capital improvements, based on the periodic budget adopted by the  
14 association pursuant to RCW 64.90.480(1), along with any specially  
15 allocated assessments that are properly assessable against the unit  
16 under such periodic budget, which would have become due in the  
17 absence of acceleration during the six months immediately preceding  
18 the institution of proceedings to foreclose either the association's  
19 lien or a security interest described in subsection (2)(b) of this  
20 section;

21 (ii) The association's actual costs and reasonable attorneys'  
22 fees incurred in foreclosing its lien but incurred after the giving  
23 of the notice described in (a)(iii) of this subsection; provided,  
24 however, that the costs and reasonable attorneys' fees that will have  
25 priority under this subsection (3)(a)(ii) shall not exceed \$2,000 or  
26 an amount equal to the amounts described in (a)(i) of this  
27 subsection, whichever is less;

28 (iii) The amounts described in (a)(ii) of this subsection shall  
29 be prior only to the security interest of the holder of a security  
30 interest on the unit recorded before the date on which the unpaid  
31 assessment became due and only if the association has given that  
32 holder not less than 60 days' prior written notice that the owner of  
33 the unit is in default in payment of an assessment. The notice shall  
34 contain:

- 35 (A) Name of the borrower;  
36 (B) Recording date of the trust deed or mortgage;  
37 (C) Recording information;  
38 (D) Name of condominium, unit owner, and unit designation stated  
39 in the declaration or applicable supplemental declaration;  
40 (E) Amount of unpaid assessment; and

1 (F) A statement that failure to, within 60 days of the written  
2 notice, submit the association payment of six months of assessments  
3 as described in (a)(i) of this subsection will result in the priority  
4 of the amounts described in (a)(ii) of this subsection; and

5 (iv) Upon payment of the amounts described in (a)(i) and (ii) of  
6 this subsection by the holder of a security interest, the  
7 association's lien described in this subsection (3)(a) shall  
8 thereafter be fully subordinated to the lien of such holder's  
9 security interest on the unit.

10 (b) For the purposes of this subsection:

11 (i) "Institution of proceedings" means either:

12 (A) The date of recording of a notice of trustee's sale by a deed  
13 of trust beneficiary;

14 (B) The date of commencement, pursuant to applicable court rules,  
15 of an action for judicial foreclosure either by the association or by  
16 the holder of a recorded security interest; or

17 (C) The date of recording of a notice of intention to forfeit in  
18 a real estate contract forfeiture proceeding by the vendor under a  
19 real estate contract.

20 (ii) "Capital improvements" does not include making, in the  
21 ordinary course of management, repairs to common elements or  
22 replacements of the common elements with substantially similar items,  
23 subject to: (A) Availability of materials and products, (B)  
24 prevailing law, or (C) sound engineering and construction standards  
25 then prevailing.

26 (c) The adoption of a periodic budget that purports to allocate  
27 to a unit any fines, late charges, interest, attorneys' fees and  
28 costs incurred for services unrelated to the foreclosure of the  
29 association's lien, other collection charges, or specially allocated  
30 assessments assessed under RCW 64.90.480 (6) or (7) does not cause  
31 any such items to be included in the priority amount affecting such  
32 unit.

33 (4) Subsections (2) and (3) of this section do not affect the  
34 priority of mechanics' or material suppliers' liens to the extent  
35 that law of this state other than chapter 277, Laws of 2018 gives  
36 priority to such liens, or the priority of liens for other  
37 assessments made by the association.

38 (5) A lien under this section is not subject to chapter 6.13 RCW.

39 (6) If the association forecloses its lien under this section  
40 nonjudicially pursuant to chapter 61.24 RCW, as provided under

1 subsection (13) of this section, the association is not entitled to  
2 the lien priority provided for under subsection (3) of this section,  
3 and is subject to the limitations on deficiency judgments as provided  
4 in chapter 61.24 RCW.

5 (7) Unless the declaration provides otherwise, if two or more  
6 associations have liens for assessments created at any time on the  
7 same property, those liens have equal priority as to each other, and  
8 any foreclosure of one such lien shall not affect the lien of the  
9 other.

10 (8) Recording of the declaration constitutes record notice and  
11 perfection of the statutory lien created under this section. Further  
12 notice or recordation of any claim of lien for assessment under this  
13 section is not required, but is not prohibited.

14 (9) A lien for unpaid assessments and the personal liability for  
15 payment of those assessments are extinguished unless proceedings to  
16 enforce the lien or collect the debt are instituted within six years  
17 after the full amount of the assessments sought to be recovered  
18 becomes due.

19 (10) This section does not prohibit actions against unit owners  
20 to recover sums for which subsection (1) of this section creates a  
21 lien or prohibit an association from taking a deed in lieu of  
22 foreclosure.

23 (11) The association upon written request must furnish to a unit  
24 owner or a mortgagee a statement signed by an officer or authorized  
25 agent of the association setting forth the amount of unpaid  
26 assessments or the priority amount against that unit, or both. The  
27 statement must be furnished within 15 days after receipt of the  
28 request and is binding on the association, the board, and every unit  
29 owner unless, and to the extent, known by the recipient to be false.  
30 The liability of a recipient who reasonably relies upon the statement  
31 must not exceed the amount set forth in any statement furnished  
32 pursuant to this section or RCW 64.90.640(1)(b).

33 (12) In a cooperative, upon nonpayment of an assessment on a  
34 unit, the unit owner may be evicted in the same manner as provided by  
35 law in the case of an unlawful holdover by a commercial tenant, and  
36 the lien may be foreclosed as provided under this section.

37 (13) The association's lien may be foreclosed in accordance with  
38 (a) and (b) of this subsection.

39 (a) In a common interest community other than a cooperative, the  
40 association's lien may be foreclosed judicially in accordance with



chapter 61.12 RCW, subject to any rights of redemption under chapter 6.23 RCW.

(b) The lien may be enforced nonjudicially in the manner set forth in chapter 61.24 RCW for nonjudicial foreclosure of deeds of trust if the declaration: Contains a grant of the common interest community in trust to a trustee qualified under RCW 61.24.010 to secure the obligations of the unit owners to the association for the payment of assessments, contains a power of sale, provides in its terms that the units are not used principally for agricultural purposes, and provides that the power of sale is operative in the case of a default in the obligation to pay assessments. The association or its authorized representative may purchase the unit at the foreclosure sale and acquire, hold, lease, mortgage, or convey the unit. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption is eight months.

(c) In a cooperative in which the unit owners' interests in the units are real estate, the association's lien must be foreclosed in like manner as a mortgage on real estate or by power of sale under (b) of this subsection.

(d) In a cooperative in which the unit owners' interests in the units are personal property, the association's lien must be foreclosed in like manner as a security interest under chapter 62A.9A RCW.

(e) No member of the association's board, or their immediate family members or affiliates, are eligible to bid for or purchase, directly or indirectly, any interest in a unit at a foreclosure of the association's lien. For the purposes of this subsection, "immediate family member" includes spouses, domestic partners, children, siblings, parents, parents-in-law, and stepfamily members; and "affiliate" of a board member includes any person controlled by the board member, including any entity in which the board member is a general partner, managing member, majority member, officer, or director. Nothing in this subsection prohibits an association from bidding for or purchasing interest in a unit at a foreclosure of the association's lien.

(14) If the unit owner's interest in a unit in a cooperative is real estate, the following requirements apply:

(a) The association, upon nonpayment of assessments and compliance with this subsection, may sell that unit at a public sale

1 or by private negotiation, and at any time and place. The association  
2 must give to the unit owner and any lessee of the unit owner  
3 reasonable notice in a record of the time, date, and place of any  
4 public sale or, if a private sale is intended, of the intention of  
5 entering into a contract to sell and of the time and date after which  
6 a private conveyance may be made. Such notice must also be sent to  
7 any other person that has a recorded interest in the unit that would  
8 be cut off by the sale, but only if the recorded interest was on  
9 record seven weeks before the date specified in the notice as the  
10 date of any public sale or seven weeks before the date specified in  
11 the notice as the date after which a private sale may be made. The  
12 notices required under this subsection may be sent to any address  
13 reasonable in the circumstances. A sale may not be held until five  
14 weeks after the sending of the notice. The association may buy at any  
15 public sale and, if the sale is conducted by a fiduciary or other  
16 person not related to the association, at a private sale.

17 (b) Unless otherwise agreed to or as stated in this section, the  
18 unit owner is liable for any deficiency in a foreclosure sale.

19 (c) The proceeds of a foreclosure sale must be applied in the  
20 following order:

21 (i) The reasonable expenses of sale;

22 (ii) The reasonable expenses of securing possession before sale;  
23 the reasonable expenses of holding, maintaining, and preparing the  
24 unit for sale, including payment of taxes and other governmental  
25 charges and premiums on insurance; and, to the extent provided for by  
26 agreement between the association and the unit owner, reasonable  
27 attorneys' fees, costs, and other legal expenses incurred by the  
28 association;

29 (iii) Satisfaction of the association's lien;

30 (iv) Satisfaction in the order of priority of any subordinate  
31 claim of record; and

32 (v) Remittance of any excess to the unit owner.

33 (d) A good-faith purchaser for value acquires the unit free of  
34 the association's debt that gave rise to the lien under which the  
35 foreclosure sale occurred and any subordinate interest, even though  
36 the association or other person conducting the sale failed to comply  
37 with this section. The person conducting the sale must execute a  
38 conveyance to the purchaser sufficient to convey the unit and stating  
39 that it is executed by the person after a foreclosure of the  
40 association's lien by power of sale and that the person was empowered

1 to make the sale. Signature and title or authority of the person  
2 signing the conveyance as grantor and a recital of the facts of  
3 nonpayment of the assessment and of the giving of the notices  
4 required under this subsection are sufficient proof of the facts  
5 recited and of the authority to sign. Further proof of authority is  
6 not required even though the association is named as grantee in the  
7 conveyance.

8 (e) At any time before the association has conveyed a unit in a  
9 cooperative or entered into a contract for its conveyance under the  
10 power of sale, the unit owners or the holder of any subordinate  
11 security interest may cure the unit owner's default and prevent sale  
12 or other conveyance by tendering the performance due under the  
13 security agreement, including any amounts due because of exercise of  
14 a right to accelerate, plus the reasonable expenses of proceeding to  
15 foreclosure incurred to the time of tender, including reasonable  
16 attorneys' fees and costs of the creditor.

17 (15) In an action by an association to collect assessments or to  
18 foreclose a lien on a unit under this section, the court may appoint  
19 a receiver to collect all sums alleged to be due and owing to a unit  
20 owner before commencement or during pendency of the action. The  
21 receivership is governed under chapter 7.60 RCW. During pendency of  
22 the action, the court may order the receiver to pay sums held by the  
23 receiver to the association for any assessments against the unit. The  
24 exercise of rights under this subsection by the association does not  
25 affect the priority of preexisting liens on the unit.

26 (16) Except as provided in subsection (3) of this section, the  
27 holder of a mortgage or other purchaser of a unit who obtains the  
28 right of possession of the unit through foreclosure is not liable for  
29 assessments or installments of assessments that became due prior to  
30 such right of possession. Such unpaid assessments are deemed to be  
31 common expenses collectible from all the unit owners, including such  
32 mortgagee or other purchaser of the unit. Foreclosure of a mortgage  
33 does not relieve the prior unit owner of personal liability for  
34 assessments accruing against the unit prior to the date of such sale  
35 as provided in this subsection.

36 (17) In addition to constituting a lien on the unit, each  
37 assessment is the joint and several obligation of the unit owner of  
38 the unit to which the same are assessed as of the time the assessment  
39 is due. A unit owner may not exempt himself or herself from liability  
40 for assessments. In a voluntary conveyance other than by foreclosure,

1 the grantee of a unit is jointly and severally liable with the  
2 grantor for all unpaid assessments against the grantor up to the time  
3 of the grantor's conveyance, without prejudice to the grantee's right  
4 to recover from the grantor the amounts paid by the grantee. Suit to  
5 recover a personal judgment for any delinquent assessment is  
6 maintainable in any court of competent jurisdiction without  
7 foreclosing or waiving the lien securing such sums.

8 (18) The association may from time to time establish reasonable  
9 late charges and a rate of interest to be charged, not to exceed the  
10 maximum rate calculated under RCW 19.52.020, on all subsequent  
11 delinquent assessments or installments of assessments. If the  
12 association does not establish such a rate, delinquent assessments  
13 bear interest from the date of delinquency at the maximum rate  
14 calculated under RCW 19.52.020 on the date on which the assessments  
15 became delinquent.

16 (19) The association is entitled to recover any costs and  
17 reasonable attorneys' fees incurred in connection with the collection  
18 of delinquent assessments, whether or not such collection activities  
19 result in a suit being commenced or prosecuted to judgment. The  
20 prevailing party is also entitled to recover costs and reasonable  
21 attorneys' fees in such suits, including any appeals, if it prevails  
22 on appeal and in the enforcement of a judgment.

23 (20) To the extent not inconsistent with this section, the  
24 declaration may provide for such additional remedies for collection  
25 of assessments as may be permitted by law.

26 (21) (a) (~~When the association mails to the unit owner by first-~~  
27 ~~class mail the first notice of delinquency for past due assessments~~  
28 ~~to the unit address and to any other address that the owner has~~  
29 ~~provided to the association, the association shall include a first~~  
30 ~~preforeclosure notice that states)) No later than 30 days after an~~  
31 ~~assessment becomes past due, an association must provide a notice of~~  
32 ~~delinquency to a unit owner by first-class mail that meets the~~  
33 ~~following criteria. The notice of delinquency must:~~

34 (i) Be mailed to the unit address and to any other address that a  
35 unit owner has provided to the association for the transmission of  
36 notice, and by email if the unit owner's electronic address is known  
37 to the association;

38 (ii) Be provided in English and any other language indicated as a  
39 preference for correspondence by a unit owner. Translation

inaccuracies shall not diminish a good faith effort to provide notice in a preferred language other than English; and

(iii) Include a first preforeclosure notice that states as follows:

**THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS FROM THE UNIT OWNERS ASSOCIATION TO WHICH YOUR HOME BELONGS. THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING YOUR HOME.**

**CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW** to assess your situation and refer you to mediation if you might benefit. **DO NOT DELAY.**

**BE CAREFUL** of people who claim they can help you. There are many individuals and businesses that prey upon borrowers in distress.

**REFER TO THE CONTACTS BELOW** for sources of assistance.

#### **SEEKING ASSISTANCE**

Housing counselors and legal assistance may be available at little or no cost to you. Housing counselors and attorneys may assist you in meeting and conferring with your association to resolve the past due assessments, and based on the circumstances refer you to the foreclosure mediation program. If you would like assistance in determining your rights and opportunities to keep your house, you may contact the following:

The statewide foreclosure hotline for assistance and referral to housing counselors recommended by the Housing Finance Commission

Telephone: . . . . . Website: . . . . .

The United States Department of Housing and Urban Development

Telephone: . . . . . Website: . . . . .

The statewide civil legal aid hotline for assistance and referrals to other housing counselors and attorneys

Telephone: . . . . . Website: . . . . .

The association shall obtain the toll-free numbers and website information from the department of commerce for inclusion in the notice.

(b) Notwithstanding any other provisions of this chapter, until the 15th day after providing a unit owner with a notice of delinquency that meets the requirements in (a) of this subsection, an association may not:

(i) Take any other action to collect a delinquent assessment; or

1       (ii) Charge a unit owner for any costs related to the collection  
2 of the delinquent assessment except for:

3       (A) The actual costs of printing and mailing the notice of  
4 delinquency;

5       (B) An administrative fee of no more than \$10 related to  
6 providing the notice of delinquency; and

7       (C) A single late fee of no more than \$50 or five percent of the  
8 amount of the unpaid assessment which triggered the fee, whichever is  
9 less.

10       (c) If, when a delinquent account is referred to an association's  
11 attorney, the first preforeclosure notice required under (a) of this  
12 subsection has not yet been mailed to the unit owner, the association  
13 or the association's attorney shall mail the first preforeclosure  
14 notice to the unit owner in order to satisfy the requirement in (a)  
15 of this subsection.

16       ~~((e))~~ (d) Mailing the first preforeclosure notice pursuant to  
17 (a) of this subsection does not satisfy the requirement in subsection  
18 (22)(b) of this section to mail a second preforeclosure notice at or  
19 after the date that assessments have become past due for at least 90  
20 days. The second preforeclosure notice may not be mailed sooner than  
21 60 days after the first preforeclosure notice is mailed.

22       (e) The association must maintain the preforeclosure information  
23 required under this section and make it available to unit owners in  
24 accordance with RCW 64.90.495.

25       (22) An association may not commence an action to foreclose a  
26 lien on a unit under this section unless:

27       (a) The unit owner, at the time the action is commenced, owes at  
28 least a sum equal to the greater of:

29       (i) Three months or more of assessments, not including fines,  
30 late charges, interest, attorneys' fees, or costs incurred by the  
31 association in connection with the collection of a delinquent owner's  
32 account; or

33       (ii) \$2,000 of assessments, not including fines, late charges,  
34 interest, attorneys' fees, or costs incurred by the association in  
35 connection with the collection of a delinquent owner's account;

36       (b) At or after the date that assessments have become past due  
37 for at least 90 days, but no sooner than 60 days after the first  
38 preforeclosure notice required in subsection (21)(a) of this section  
39 is mailed, the association has mailed, by first-class mail, to the  
40 owner, at the unit address and to any other address which the owner

1 has provided to the association, a second notice of delinquency,  
2 which must include a second preforeclosure notice that contains the  
3 same information as the first preforeclosure notice provided to the  
4 owner pursuant to subsection (21)(a) of this section. The second  
5 preforeclosure notice may not be mailed sooner than 60 days after the  
6 first preforeclosure notice required in subsection (21)(a) of this  
7 section is mailed;

8 (c) At least 90 days have elapsed from the date the minimum  
9 amount required in (a) of this subsection has accrued; (~~and~~)

10 (d) If the unit owner was referred to mediation pursuant to RCW  
11 61.24.163, until the mediation is completed and the certification of  
12 mediation is issued or after 10 days from the date the mediator's  
13 certification was due to the association; and

14 (e) The board approves commencement of a foreclosure action  
15 specifically against that unit.

16 (23) Every aspect of a collection, foreclosure, sale, or other  
17 conveyance under this section, including the method, advertising,  
18 time, date, place, and terms, must be commercially reasonable.

19 **Sec. 15.** RCW 64.32.170 and 2023 c 409 s 1 are each amended to  
20 read as follows:

21 (1) An association of apartment owners must retain the following:

22 (a) The current budget, detailed records of receipts and  
23 expenditures affecting the operation and administration of the  
24 association, and other appropriate accounting records within the last  
25 seven years;

26 (b) Minutes of all meetings of its apartment owners and board  
27 other than executive sessions, a record of all actions taken by the  
28 apartment owners or board without a meeting, and a record of all  
29 actions taken by a committee in place of the board on behalf of the  
30 association;

31 (c) The names of current apartment owners, addresses used by the  
32 association to communicate with them, and the number of votes  
33 allocated to each apartment;

34 (d) Its original or restated declaration, organizational  
35 documents, all amendments to the declaration and organizational  
36 documents, and all rules currently in effect;

37 (e) All financial statements and tax returns of the association  
38 for the past seven years;

1 (f) A list of the names and addresses of its current board  
2 members and officers;

3 (g) Its most recent annual report delivered to the secretary of  
4 state, if any;

5 (h) Copies of contracts to which it is or was a party within the  
6 last seven years;

7 (i) Materials relied upon by the board or any committee to  
8 approve or deny any requests for design or architectural approval for  
9 a period of seven years after the decision is made;

10 (j) Materials relied upon by the board or any committee  
11 concerning a decision to enforce the governing documents for a period  
12 of seven years after the decision is made;

13 (k) Copies of insurance policies under which the association is a  
14 named insured;

15 (l) Any current warranties provided to the association;

16 (m) Copies of all notices provided to apartment owners or the  
17 association in accordance with this chapter or the governing  
18 documents; (~~and~~)

19 (n) Ballots, proxies, absentee ballots, and other records related  
20 to voting by apartment owners for one year after the election,  
21 action, or vote to which they relate; and

22 (o) The preforeclosure information required by RCW 64.32.200(4).

23 (2)(a) Subject to subsections (3) through (5) of this section,  
24 and except as provided in (b) of this subsection, all records  
25 required to be retained by an association of apartment owners must be  
26 made available for examination and copying by all apartment owners,  
27 holders of mortgages on the apartments, and their respective  
28 authorized agents as follows, unless agreed otherwise:

29 (i) During reasonable business hours or at a mutually convenient  
30 time and location; and

31 (ii) At the offices of the association or its managing agent.

32 (b) The list of apartment owners required to be retained by an  
33 association under subsection (1)(c) of this section is not required  
34 to be made available for examination and copying by holders of  
35 mortgages on the apartments.

36 (3) Records retained by an association of apartment owners must  
37 have the following information redacted or otherwise removed prior to  
38 disclosure:

39 (a) Personnel and medical records relating to specific  
40 individuals;



1 (b) Contracts, leases, and other commercial transactions to  
2 purchase or provide goods or services currently being negotiated;

3 (c) Existing or potential litigation or mediation, arbitration,  
4 or administrative proceedings;

5 (d) Existing or potential matters involving federal, state, or  
6 local administrative or other formal proceedings before a  
7 governmental tribunal for enforcement of the governing documents;

8 (e) Legal advice or communications that are otherwise protected  
9 by the attorney-client privilege or the attorney work product  
10 doctrine, including communications with the managing agent or other  
11 agent of the association;

12 (f) Information the disclosure of which would violate a court  
13 order or law;

14 (g) Records of an executive session of the board;

15 (h) Individual apartment files other than those of the requesting  
16 apartment owner;

17 (i) Unlisted telephone number or electronic address of any  
18 apartment owner or resident;

19 (j) Security access information provided to the association for  
20 emergency purposes; or

21 (k) Agreements that for good cause prohibit disclosure to the  
22 members.

23 (4) In addition to the requirements in subsection (3) of this  
24 section, an association of apartment owners must, prior to disclosure  
25 of the list of apartment owners required to be retained by an  
26 association under subsection (1)(c) of this section, redact or  
27 otherwise remove the address of any apartment owner or resident who  
28 is known to the association to be a participant in the address  
29 confidentiality program described in chapter 40.24 RCW or any similar  
30 program established by law.

31 (5)(a) Except as provided in (b) and (c) of this subsection, an  
32 association of apartment owners may charge a reasonable fee for  
33 producing and providing copies of any records under this section and  
34 for supervising the apartment owner's inspection.

35 (b) An apartment owner is entitled to receive a free annual  
36 electronic or paper copy of the list retained under subsection (1)(c)  
37 of this section from the association.

38 (c) An apartment owner is entitled to receive a free electronic  
39 or paper copy of the preforeclosure information retained under  
40 subsection (1)(o) of this section from the association which must be

1 provided in English and any other language indicated as a preference  
2 for correspondence by an apartment owner. Translation inaccuracies  
3 shall not diminish a good faith effort to provide preforeclosure  
4 information in a preferred language other than English.

5 (6) A right to copy records under this section includes the right  
6 to receive copies by photocopying or other means, including through  
7 an electronic transmission if available upon request by the apartment  
8 owner.

9 (7) An association of apartment owners is not obligated to  
10 compile or synthesize information.

11 (8) Information provided pursuant to this section may not be used  
12 for commercial purposes.

13 (9) An association of apartment owners' managing agent must  
14 deliver all of the association's original books and records to the  
15 association immediately upon termination of its management  
16 relationship with the association, or upon such other demand as is  
17 made by the board. An association managing agent may keep copies of  
18 the association records at its own expense.

19 (10) All books and records shall be kept in accordance with good  
20 accounting procedures and be audited at least once a year by an  
21 auditor outside of the organization.

22 (11) This section applies to records in the possession of the  
23 association on July 23, 2023, and to records created or maintained  
24 after July 23, 2023. An association has no liability under this  
25 section for records disposed of prior to July 23, 2023.

26 **Sec. 16.** RCW 64.34.372 and 2023 c 409 s 2 are each amended to  
27 read as follows:

28 (1) The association shall keep financial records sufficiently  
29 detailed to enable the association to comply with RCW 64.34.425. All  
30 financial and other records of the association, including but not  
31 limited to checks, bank records, and invoices, are the property of  
32 the association. At least annually, the association shall prepare, or  
33 cause to be prepared, a financial statement of the association in  
34 accordance with generally accepted accounting principles. The  
35 financial statements of condominiums consisting of 50 or more units  
36 shall be audited at least annually by a certified public accountant.  
37 In the case of a condominium consisting of fewer than 50 units, an  
38 annual audit is also required but may be waived annually by unit  
39 owners other than the declarant of units to which 60 percent of the

1 votes are allocated, excluding the votes allocated to units owned by  
2 the declarant.

3 (2) The funds of an association shall be kept in accounts in the  
4 name of the association and shall not be commingled with the funds of  
5 any other association, nor with the funds of any manager of the  
6 association or any other person responsible for the custody of such  
7 funds. Any reserve funds of an association shall be kept in a  
8 segregated account and any transaction affecting such funds,  
9 including the issuance of checks, shall require the signature of at  
10 least two persons who are officers or directors of the association.

11 (3) An association must retain the following:

12 (a) The current budget, detailed records of receipts and  
13 expenditures affecting the operation and administration of the  
14 association, and other appropriate accounting records within the last  
15 seven years;

16 (b) Minutes of all meetings of its unit owners and board other  
17 than executive sessions, a record of all actions taken by the unit  
18 owners or board without a meeting, and a record of all actions taken  
19 by a committee in place of the board on behalf of the association;

20 (c) The names of current unit owners, addresses used by the  
21 association to communicate with them, and the number of votes  
22 allocated to each unit;

23 (d) Its original or restated declaration, organizational  
24 documents, all amendments to the declaration and organizational  
25 documents, and all rules currently in effect;

26 (e) All financial statements and tax returns of the association  
27 for the past seven years;

28 (f) A list of the names and addresses of its current board  
29 members and officers;

30 (g) Its most recent annual report delivered to the secretary of  
31 state, if any;

32 (h) Copies of contracts to which it is or was a party within the  
33 last seven years;

34 (i) Materials relied upon by the board or any committee to  
35 approve or deny any requests for design or architectural approval for  
36 a period of seven years after the decision is made;

37 (j) Materials relied upon by the board or any committee  
38 concerning a decision to enforce the governing documents for a period  
39 of seven years after the decision is made;

1 (k) Copies of insurance policies under which the association is a  
2 named insured;

3 (l) Any current warranties provided to the association;

4 (m) Copies of all notices provided to unit owners or the  
5 association in accordance with this chapter or the governing  
6 documents; ~~((and))~~

7 (n) Ballots, proxies, absentee ballots, and other records related  
8 to voting by unit owners for one year after the election, action, or  
9 vote to which they relate; and

10 (o) The preforeclosure information required by RCW 64.34.364(17).

11 (4)(a) Subject to subsections (5) through (7) of this section,  
12 and except as provided in (b) of this subsection, all records  
13 required to be retained by an association must be made available for  
14 examination and copying by all unit owners, holders of mortgages on  
15 the units, and their respective authorized agents as follows, unless  
16 agreed otherwise:

17 (i) During reasonable business hours or at a mutually convenient  
18 time and location; and

19 (ii) At the offices of the association or its managing agent.

20 (b) The list of unit owners required to be retained by an  
21 association under subsection (3)(c) of this section is not required  
22 to be made available for examination and copying by holders of  
23 mortgages on the units.

24 (5) Records retained by an association must have the following  
25 information redacted or otherwise removed prior to disclosure:

26 (a) Personnel and medical records relating to specific  
27 individuals;

28 (b) Contracts, leases, and other commercial transactions to  
29 purchase or provide goods or services currently being negotiated;

30 (c) Existing or potential litigation or mediation, arbitration,  
31 or administrative proceedings;

32 (d) Existing or potential matters involving federal, state, or  
33 local administrative or other formal proceedings before a  
34 governmental tribunal for enforcement of the governing documents;

35 (e) Legal advice or communications that are otherwise protected  
36 by the attorney-client privilege or the attorney work product  
37 doctrine, including communications with the managing agent or other  
38 agent of the association;

39 (f) Information the disclosure of which would violate a court  
40 order or law;

- 1 (g) Records of an executive session of the board;
- 2 (h) Individual unit files other than those of the requesting unit
- 3 owner;
- 4 (i) Unlisted telephone number or electronic address of any unit
- 5 owner or resident;
- 6 (j) Security access information provided to the association for
- 7 emergency purposes; or
- 8 (k) Agreements that for good cause prohibit disclosure to the
- 9 members.

10 (6) In addition to the requirements in subsection (5) of this

11 section, an association must, prior to disclosure of the list of unit

12 owners required to be retained by an association under subsection

13 (3)(c) of this section, redact or otherwise remove the address of any

14 unit owner or resident who is known to the association to be a

15 participant in the address confidentiality program described in

16 chapter 40.24 RCW or any similar program established by law.

17 (7)(a) Except as provided in (b) and (c) of this subsection, an

18 association may charge a reasonable fee for producing and providing

19 copies of any records under this section and for supervising the unit

20 owner's inspection.

21 (b) A unit owner is entitled to receive a free annual electronic

22 or paper copy of the list retained under subsection (3)(c) of this

23 section from the association.

24 (c) A unit owner is entitled to receive a free electronic or

25 paper copy of the preforeclosure information retained under

26 subsection (3)(o) of this section from the association which must be

27 provided in English and any other language indicated as a preference

28 for correspondence by a unit owner. Translation inaccuracies shall

29 not diminish a good faith effort to provide preforeclosure

30 information in a preferred language other than English.

31 (8) A right to copy records under this section includes the right

32 to receive copies by photocopying or other means, including through

33 an electronic transmission if available upon request by the unit

34 owner.

35 (9) An association is not obligated to compile or synthesize

36 information.

37 (10) Information provided pursuant to this section may not be

38 used for commercial purposes.

39 (11) An association's managing agent must deliver all of the

40 association's original books and records to the association

1 immediately upon termination of its management relationship with the  
2 association, or upon such other demand as is made by the board. An  
3 association managing agent may keep copies of the association records  
4 at its own expense.

5 (12) This section applies to records in the possession of the  
6 association on July 23, 2023, and to records created or maintained  
7 after July 23, 2023. An association has no liability under this  
8 section for records disposed of prior to July 23, 2023.

9 **Sec. 17.** RCW 64.38.045 and 2023 c 409 s 3 are each amended to  
10 read as follows:

11 (1) The association or its managing agent shall keep financial  
12 and other records sufficiently detailed to enable the association to  
13 fully declare to each owner the true statement of its financial  
14 status. All financial and other records of the association, including  
15 but not limited to checks, bank records, and invoices, in whatever  
16 form they are kept, are the property of the association. Each  
17 association managing agent shall turn over all original books and  
18 records to the association immediately upon termination of the  
19 management relationship with the association, or upon such other  
20 demand as is made by the board of directors. An association managing  
21 agent is entitled to keep copies of association records. All records  
22 which the managing agent has turned over to the association shall be  
23 made reasonably available for the examination and copying by the  
24 managing agent.

25 (2) At least annually, the association shall prepare, or cause to  
26 be prepared, a financial statement of the association. The financial  
27 statements of associations with annual assessments of \$50,000 or more  
28 shall be audited at least annually by an independent certified public  
29 accountant, but the audit may be waived if 67 percent of the votes  
30 cast by owners, in person or by proxy, at a meeting of the  
31 association at which a quorum is present, vote each year to waive the  
32 audit.

33 (3) The funds of the association shall be kept in accounts in the  
34 name of the association and shall not be commingled with the funds of  
35 any other association, nor with the funds of any manager of the  
36 association or any other person responsible for the custody of such  
37 funds.

38 (4) An association must retain the following:

1 (a) The current budget, detailed records of receipts and  
2 expenditures affecting the operation and administration of the  
3 association, and other appropriate accounting records within the last  
4 seven years;

5 (b) Minutes of all meetings of its owners and board other than  
6 executive sessions, a record of all actions taken by the owners or  
7 board without a meeting, and a record of all actions taken by a  
8 committee in place of the board on behalf of the association;

9 (c) The names of current owners, addresses used by the  
10 association to communicate with them, and the number of votes  
11 allocated to each lot;

12 (d) Its original or restated declaration, organizational  
13 documents, all amendments to the declaration and organizational  
14 documents, and all rules currently in effect;

15 (e) All financial statements and tax returns of the association  
16 for the past seven years;

17 (f) A list of the names and addresses of its current board  
18 members and officers;

19 (g) Its most recent annual report delivered to the secretary of  
20 state, if any;

21 (h) Copies of contracts to which it is or was a party within the  
22 last seven years;

23 (i) Materials relied upon by the board or any committee to  
24 approve or deny any requests for design or architectural approval for  
25 a period of seven years after the decision is made;

26 (j) Materials relied upon by the board or any committee  
27 concerning a decision to enforce the governing documents for a period  
28 of seven years after the decision is made;

29 (k) Copies of insurance policies under which the association is a  
30 named insured;

31 (l) Any current warranties provided to the association;

32 (m) Copies of all notices provided to owners or the association  
33 in accordance with this chapter or the governing documents; ~~((and))~~

34 (n) Ballots, proxies, absentee ballots, and other records related  
35 to voting by owners for one year after the election, action, or vote  
36 to which they relate; and

37 (o) The preforeclosure information required by RCW 64.38.100(1).

38 (5)(a) Subject to subsections (6) through (8) of this section,  
39 and except as provided in (b) of this subsection, all records  
40 required to be retained by an association must be made available for

1 examination and copying by all owners, holders of mortgages on the  
2 lots, and their respective authorized agents as follows, unless  
3 agreed otherwise:

4 (i) During reasonable business hours or at a mutually convenient  
5 time and location; and

6 (ii) At the offices of the association or its managing agent.

7 (b) The list of owners required to be retained by an association  
8 under subsection (4)(c) of this section is not required to be made  
9 available for examination and copying by holders of mortgages on the  
10 lots.

11 (6) Records retained by an association must have the following  
12 information redacted or otherwise removed prior to disclosure:

13 (a) Personnel and medical records relating to specific  
14 individuals;

15 (b) Contracts, leases, and other commercial transactions to  
16 purchase or provide goods or services currently being negotiated;

17 (c) Existing or potential litigation or mediation, arbitration,  
18 or administrative proceedings;

19 (d) Existing or potential matters involving federal, state, or  
20 local administrative or other formal proceedings before a  
21 governmental tribunal for enforcement of the governing documents;

22 (e) Legal advice or communications that are otherwise protected  
23 by the attorney-client privilege or the attorney work product  
24 doctrine, including communications with the managing agent or other  
25 agent of the association;

26 (f) Information the disclosure of which would violate a court  
27 order or law;

28 (g) Records of an executive session of the board;

29 (h) Individual lot files other than those of the requesting  
30 owner;

31 (i) Unlisted telephone number or electronic address of any owner  
32 or resident;

33 (j) Security access information provided to the association for  
34 emergency purposes; or

35 (k) Agreements that for good cause prohibit disclosure to the  
36 members.

37 (7) In addition to the requirements in subsection (6) of this  
38 section, an association must, prior to disclosure of the list of  
39 owners required to be retained by an association under subsection  
40 (4)(c) of this section, redact or otherwise remove the address of any



owner or resident who is known to the association to be a participant in the address confidentiality program described in chapter 40.24 RCW or any similar program established by law.

(8) (a) Except as provided in (b) and (c) of this subsection, an association may charge a reasonable fee for producing and providing copies of any records under this section and for supervising the owner's inspection.

(b) An owner is entitled to receive a free annual electronic or paper copy of the list retained under subsection (4) (c) of this section from the association.

(c) An owner is entitled to receive a free electronic or paper copy of the preforeclosure information retained under subsection (4) (o) of this section from the association which must be provided in English and any other language indicated as a preference for correspondence by an owner. Translation inaccuracies shall not diminish a good faith effort to provide preforeclosure information in a preferred language other than English.

(9) A right to copy records under this section includes the right to receive copies by photocopying or other means, including through an electronic transmission if available upon request by the owner.

(10) An association is not obligated to compile or synthesize information.

(11) Information provided pursuant to this section may not be used for commercial purposes.

(12) An association's managing agent must deliver all of the association's original books and records to the association immediately upon termination of its management relationship with the association, or upon such other demand as is made by the board. An association managing agent may keep copies of the association records at its own expense.

(13) This section applies to records in the possession of the association on July 23, 2023, and to records created or maintained after July 23, 2023. An association has no liability under this section for records disposed of prior to July 23, 2023.

**Sec. 18.** RCW 64.90.495 and 2024 c 321 s 320 are each amended to read as follows:

(1) An association must retain the following:

(a) The current budget, detailed records of receipts and expenditures affecting the operation and administration of the

1 association, and other appropriate accounting records within the last  
2 seven years;

3 (b) Minutes of all meetings of its unit owners and board other  
4 than executive sessions, a record of all actions taken by the unit  
5 owners or board without a meeting, and a record of all actions taken  
6 by a committee in place of the board on behalf of the association;

7 (c) The names of current unit owners, addresses used by the  
8 association to communicate with them, and the number of votes  
9 allocated to each unit;

10 (d) Its original or restated declaration, organizational  
11 documents, all amendments to the declaration and organizational  
12 documents, and all rules currently in effect;

13 (e) All financial statements and tax returns of the association  
14 for the past seven years;

15 (f) A list of the names and addresses of its current board  
16 members and officers;

17 (g) Its most recent annual report delivered to the secretary of  
18 state, if any;

19 (h) Financial and other records sufficiently detailed to enable  
20 the association to comply with RCW 64.90.640;

21 (i) Copies of contracts to which it is or was a party within the  
22 last seven years;

23 (j) Materials relied upon by the board or any committee to  
24 approve or deny any requests for design or architectural approval for  
25 a period of seven years after the decision is made;

26 (k) Materials relied upon by the board or any committee  
27 concerning a decision to enforce the governing documents for a period  
28 of seven years after the decision is made;

29 (l) Copies of insurance policies under which the association is a  
30 named insured;

31 (m) Any current warranties provided to the association;

32 (n) Copies of all notices provided to unit owners or the  
33 association in accordance with this chapter or the governing  
34 documents;

35 (o) Ballots, proxies, absentee ballots, and other records related  
36 to voting by unit owners for one year after the election, action, or  
37 vote to which they relate;

38 (p) Originals or copies of any plans and specifications delivered  
39 by the declarant pursuant to RCW 64.90.420(1);

1 (q) Originals or copies of any instruments of conveyance for any  
2 common elements included within the common interest community but not  
3 appurtenant to the units delivered by the declarant pursuant to RCW  
4 64.90.420(1); ~~((and))~~

5 (r) Originals or copies of any permits or certificates of  
6 occupancy for the common elements in the common interest community  
7 delivered by the declarant pursuant to RCW 64.90.420(1); and

8 (s) The preforeclosure information required by RCW 64.90.485  
9 (21).

10 (2)(a) Subject to subsections (3) through (5) of this section,  
11 and except as provided in (b) of this subsection, all records  
12 required to be retained by an association must be made available for  
13 examination and copying by all unit owners, holders of mortgages on  
14 the units, and their respective authorized agents as follows, unless  
15 agreed otherwise:

16 (i) During reasonable business hours and at the offices of the  
17 association or its managing agent, or at a mutually convenient time  
18 and location; and

19 (ii) Upon 10 days' notice unless the size of the request or need  
20 to redact information reasonably requires a longer time, but in no  
21 event later than 21 days without a court order allowing a longer  
22 time.

23 (b) The list of unit owners required to be retained by an  
24 association under subsection (1)(c) of this section is not required  
25 to:

26 (i) Be made available for examination and copying by holders of  
27 mortgages on the units; or

28 (ii) Contain the electronic addresses of unit owners who have  
29 elected to keep such addresses confidential pursuant to RCW  
30 64.90.515(3)(a).

31 (3) Records retained by an association must have the following  
32 information redacted or otherwise removed prior to disclosure:

33 (a) Personnel and medical records relating to specific  
34 individuals;

35 (b) Contracts, leases, and other commercial transactions to  
36 purchase or provide goods or services currently being negotiated;

37 (c) Existing or potential litigation or mediation, arbitration,  
38 or administrative proceedings;

1 (d) Existing or potential matters involving federal, state, or  
2 local administrative or other formal proceedings before a  
3 governmental tribunal for enforcement of the governing documents;

4 (e) Legal advice or communications that are otherwise protected  
5 by the attorney-client privilege or the attorney work product  
6 doctrine, including communications with the managing agent or other  
7 agent of the association;

8 (f) Information the disclosure of which would violate a court  
9 order or law;

10 (g) Records of an executive session of the board;

11 (h) Individual unit files other than those of the requesting unit  
12 owner;

13 (i) Unlisted telephone number of any unit owner or resident,  
14 electronic address of any unit owner that elects to keep such  
15 electronic address confidential, or electronic address of any  
16 resident;

17 (j) Security access information provided to the association for  
18 emergency purposes;

19 (k) Agreements that for good cause prohibit disclosure to the  
20 members; or

21 (l) Any information which would compromise the secrecy of a  
22 ballot cast under RCW 64.90.455(9).

23 (4) In addition to the requirements in subsection (3) of this  
24 section, an association must, prior to disclosure of the list of unit  
25 owners required to be retained by an association under subsection  
26 (1)(c) of this section, redact or otherwise remove the address of any  
27 unit owner or resident who is known to the association to be a  
28 participant in the address confidentiality program described in  
29 chapter 40.24 RCW or any similar program established by law.

30 (5)(a) Except as provided in (b) and (c) of this subsection, an  
31 association may charge a reasonable fee for producing and providing  
32 copies of any records under this section and for supervising the unit  
33 owner's inspection.

34 (b) A unit owner is entitled to receive a free annual electronic  
35 or written copy of the list retained under subsection (1)(c) of this  
36 section from the association.

37 (c) A unit owner is entitled to receive a free electronic or  
38 written copy of the preforeclosure information retained under  
39 subsection (1)(s) of this section from the association which must be  
40 provided in English and any other language indicated as a preference

1 for correspondence by a unit owner. Translation inaccuracies shall  
2 not diminish a good faith effort to provide preforeclosure  
3 information in a preferred language other than English.

4 (6) A right to copy records under this section includes the right  
5 to receive copies by photocopying or other means, including through  
6 an electronic transmission if available upon request by the unit  
7 owner.

8 (7) An association is not obligated to compile or synthesize  
9 information.

10 (8) Information provided pursuant to this section may not be used  
11 for commercial purposes.

12 (9) An association's managing agent must deliver all of the  
13 association's original books and records to the association upon  
14 termination of its management relationship with the association, or  
15 upon such other demand as is made by the board. Electronic records  
16 must be provided within five business days of termination or the  
17 board's demand and written records must be provided within 10  
18 business days of termination or the board's demand. An association  
19 managing agent may keep copies of the association records at its own  
20 expense.

21 NEW SECTION. Sec. 19. (1) Sections 1 through 4 and 11 through  
22 14 of this act take effect January 1, 2026.

23 (2) Sections 5 through 7 of this act take effect January 1, 2028.

24 NEW SECTION. Sec. 20. Sections 1, 2, 4, 11 through 13, and 15  
25 through 17 of this act expire January 1, 2028.

Passed by the Senate April 24, 2025.

Passed by the House April 23, 2025.

Approved by the Governor May 20, 2025.

Filed in Office of Secretary of State May 21, 2025.

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