

# What you need to know ABOUT YOUR HOA



## HOW MANY DAYS TO ALLOW ON THE CONTRACT?

Agree upon the number of days that the HOA documents are to be delivered to the Buyer. Keep in mind, homeowners associations are permitted, and may take up to 10 business days to deliver the documents to the title company AFTER receipt of payment. The TREC contract counts days and not business days. The HOA delivery date in the contract to the Buyer is counted after the effective date.



## ORDERING DOCUMENTS

As a courtesy to our customers, Republic Title will handle the ordering process. We begin by researching the management company and determining the fee required to meet the delivery deadline per the contract. The Republic Title HOA team will contact the customer for payment of fees required by the HOA to prepare the documents. The title company will act on behalf of the parties to obtain the Subdivision Information ONLY upon receipt of the required fee for the Subdivision information from the party obligated by the contract to pay.



## ABIDE BY CONTRACT GUIDELINES

The HOA documents will be delivered to all parties per the Notice Section (21) of the contract.

(Practice Tip: Be sure to fill out the Notice Section (21) completely.)



*The information obtained in this document has been compiled from third parties and is not guaranteed to be completely accurate, binding, or to represent homeowners associations in regards to bylaws, deed restrictions, board of directors or property management group(s). This document is for general information purposes only. Please contact your homeowners association for more specific details in regards to bylaws, deed restrictions, rules and enforcement that pertain to your community.*

# What you need to know ABOUT YOUR HOA

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## WHAT IS A COMMUNITY ASSOCIATION?

It is a mandatory, non-stock, non-profit, corporation. The purpose of your association is the preservation of economic value within your neighborhood through architectural controls and deed restrictions. In addition, your association provides quality of life services that may include recreation activities, social programming, and maintenance of the common area. A board of directors, elected by you and other owners, operated under the legal documents, as well as collect necessary fees and assessments to sustain services.

## WHAT ARE "DEED RESTRICTIONS" AND WHY DO WE HAVE THEM?

Deed restrictions are important rules governing your responsibilities as a member of your association. They are also created to protect your rights as homeowner. The architectural controls are not established to stifle creativity, but rather assure that integrity of the original community design is preserved. Most homeowners move into a community because they approve of its architectural style and general appearance. Deed restrictions help ensure your community will always remain nice as the day you moved there. You should have been furnished a copy of the declaration (which contains restrictions) before or during the closing of your home. If you have not received a copy and would like to, contact your homeowners association to request a copy.

## MAY I MAKE IMPROVEMENTS TO MY PROPERTY.

Yes, in general you may do whatever you desire to the interior of your home. For exterior changes to your home (depending on the nature of change or addition) the association usually has one or more committees charged with approval responsibility. This will usually involve submitting a modification request to the approving association entity (modification committee, new construction committee, architectural review board or board of directors). This approval assures not only the beauty of your home, but also the consistency within the community. All modification and new construction forms are usually provided by your homeowners association.

## WHAT CAN THE ASSOCIATION DO TO CORRECT A VIOLATION OF THE DEED RESTRICTIONS?

Enforcement remedies are granted to the association by the governing legal documents and each board of directors adopts an enforcement policy containing specific courses of action. Generally, violations are cited during routinely scheduled inspection of the community. Based upon a policy established by your board of directors, violation notices are sent to the residents of the violation dwelling asking their cooperation in correcting the problem. If the violation is not corrected within the time frame specified, the association may hire someone to correct the violation and charge the property owner with the costs to cure or the association may hire an attorney and file suit against the owner. The board of directors has the responsibility and the duty to reinforce deed restrictions. This is not optional.

## HOW MUCH IS THE ASSESSMENT AND WHAT IS IT SPENT FOR?

The assessment for your community is set on an annual basis. Your board of directors approves a budget for the association based on operating history, an evaluation of the needs of the community and adequate reserves. Depending upon specific needs of your community, assessments are used for various services that may include security services, trash pick-up, landscape contracting, audit, insurance, maintaining recreational facilities as well as the accounting and administration of the association.

## CAN THE ASSESSMENT BE INCREASED?

Yes, however, in the case of the general assessment, the increases are controlled by the declaration as well as by the board of directors. The assessments are usually projected to incorporate sufficient reserves and operating expenses for the day today operation of the community, and future capital improvements, without the need for special assessments.

## WHAT HAPPENS IF SOMEONE DOESN'T PAY THE ASSESSMENT?

Assessments are the lifeblood of your association and as such, are secured by a lien on each lot and or home. If not paid, they are subject to interest, collection costs and ultimately may be foreclosed upon by the association. If the association must spend its time and money to collect your assessment, it will harm the association and eventually all other owners.

## WHAT IF I HAVE QUESTIONS REGARDING MY CHARGES?

Unless there is an emergency, it is best to address your concerns in writing to your homeowners association or the management company hired by your association. If you have supporting documentation, canceled checks, etc., include front and back copies of these with your correspondence. If time is of the essence, most associations will try to research and resolve your concerns over the phone. Make sure to check with your association's policies and procedures concerning billing errors and inquiries.

## DOES MY MORTGAGE COMPANY PAY MY ASSESSMENTS?

Most mortgage companies no longer escrow for annual assessments. Do not assume that they do. Before sending your statement to them, call and verify if they escrow for your homeowner's assessment. It is your responsibility to make sure assessments are paid timely.