

## Homeowners Association Information

When you purchase a property in a planned development, like a townhouse or condo, on leased property or a gated community, you are required to join the community's homeowner's association, often referred to as an HOA =. This means you must pay a monthly, quarterly annual Homeowners association fees for the upkeep of common areas and the building.

There are laws governing the activities of HOAs, however, associations can still have a powerful impact on your rights as a homeowner.

When a resident breaks a rule, such as, paints a house bright pink, or brings in a pet that exceeds the weight restriction, the HOA may take action against the property owner. It is common for the action to simply be a requirement of the homeowner to reverse the violation.

Although, a common penalty is to require the homeowner to pay a fine. If the homeowner refuses to pay, the HOA can take more punitive actions which may include forcing the sale of the home.

### HOA Basics

All residents are equally responsible for the maintenance of the common areas such as landscaping, swimming pools, clubhouses, and sidewalks. HOA fees help maintain the quality of life for the community's residents and protect property values for all of its residents.

HOA fees often range from a couple hundred to \$500 per month. The more upscale the community and the more amenities it has, the higher the homeowners' association fees tend to be. On top of monthly fees, major expense such as board approved community infrastructure updates, the association may charge an additional assessment which can run hundreds or thousands of dollars.

It is common for HOA fees to be divided into two parts. One portion goes toward monthly expenses, and the remaining money goes into a reserve fund. This fund is used to save for long-term repairs and replacements such as roofs and plumbing. These funds cover most emergency expenses which arise from acts of God, vandals or wear and tear.

### Covered by HOA fees:

- **City services:** Services such as trash removal, water and sewage tend to be

covered.

- **Lawn Service:** General lawn maintenance.
- **Snow Removal:** The removal of snow from property, streets and common areas.
- **Pest control:** HOAs often schedule a monthly inspection from a pest control company.
- **Insurance:** Although you still need an individual insurance policy to cover everything inside your condo. Often HOA's includes insurance for damage to the outside of the building, common areas and the property around it.
- **Maintenance and repairs:** Roof leaks, exterior painting, driveway pavement repairs. It will cover the cost of gym or pool maintenance, if applicable.

## Can't pay the HOA fees?

Most lending institutions take HOA fees into consideration when they write your mortgage. It's in their best interest to evaluate your monthly income compared with your monthly expenses, such as your mortgage payment, taxes, and HOA fees.

Unfortunately, bad things happen. If you lose your job or are unable to pay your HOA fees, you might be able to work something out with the HOA board. However, if you are delinquent, it is possible the association will hire a specialty [Homeowners Association Collection company](#). It's important that you keep in good communication with your Association, if you start to fall behind.

## Rules Of HOA

Home Owners Associations set rules which all residents must follow. These rules are called covenants, conditions and restrictions (CC&Rs). In a common building, rules may include the colors you use, pet restrictions and parking.

Five Things To Think About:

1. Always be sure the home you want to buy is in compliance with HOA rules.
2. Understand all the fees.
3. Consider your willingness to work with a HOA and restrictive rules.
4. How well is the HOA managed
5. What insurance does the organization have and what is covered.

## It's Not All Bad

The role of the homeowner's association in a community depends on the powers that the covenants give it. Usually, the HOA oversees the maintenance of the common areas of the property and provides shared services. It's also responsible for collecting your dues, using them to pay the bills and administering the reserve fund, which saves money for major expenses. HOAs also enforce the community's

rules and mediate disputes between community members. A homeowners' associations are not all bad and can be positive.

There is a balance to the HOA restrictions. If all the homeowners follow the HOA rules, they can avoid problems which plague some unrestricted neighborhoods, like poor home maintenance, trash piling up in a yard or hallway, deterioration of gardens and roads.

This can mean good news for your property value. It's also common for you to have access to luxurious amenities, like a pool, golf course, or recreation center. If you consider buying a home in a Homeowner Association governed community, or possibly live in one, but run into disputes with the HOA or your neighbors, it may be a good idea to contact a real estate lawyer.