



HOA Documents FOR YOUR CLOSING

HOA Status Letter

The status letter is ordered by the closer three to four weeks before the closing. It gives the closer a written status of how much the dues are for the property, when they are charged, current standing of payment, and the balance of any outstanding amounts the title company needs to collect at closing. This letter may contain a transfer fee (sometimes called a change of record fee) or a status letter fee charge, or sometimes both.

More and more management companies are now requiring the status letter fee up front. Any delays in payment may create difficulties in receiving the status letter in time for the scheduled closing date without rush fees. In these cases, they will not issue the title company the status letter until they have received their fees.

CIC Documents

In the current contract, CIC documents are called "Association Documents". The seller is required to provide these documents to the Buyer, per the contract. It is the Seller's responsibility to be certain they are providing all of the information required, and the most updated information.

They provide the Buyer with the financial status of the HOA, meeting minutes, declarations, bylaws, rules and regulations, etc., from the homeowner's association. Some associations will provide these documents to the Seller directly for free, while other HOAs will charge the seller for them.

The CIC/Association Documents also include the CC&R's which are disclosed on the Exceptions page of the title commitment. Land Title automatically includes a copy of the CC&R's with the commitment, either as a link on the electronic version of the commitment, or as a paper copy sent out with the first commitment.

HOA Changes

Due to the updates in the Owner's Association Documents required within the current contract, please be aware that an increasing number of management companies are choosing to bundle their documents and status letters into a single package, often without the option to order the documents and/or the status letter separately. Potential impacts to the parties involved may include issues and increased costs, and difficulty meeting related contract deadlines, which should be handled on a case by case basis. The possible consequences may also include forcing a lender to redisclose or incur ancillary charges when having to order updated status letters and/or bundled packages. Agents or sellers may need to amend contract deadlines due to delays created by these changes. Many management companies are now charging rush fees for any delivery of these items in less than 10 business days. These rush fees reflect a wide range of costs, which can be from \$50-\$515 or more, as well as a variety of rush times frames. When listing their property, it is advisable for the seller to gather information about how each of their HOAs and management companies handle each of these contract obligations.

ComDocPro

Phone: 303-676-8482

Email: docs@comdocpro.com

www.ComDocPro.com

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