



COMDOC PRO

Understanding HOA DOCUMENTS

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The homeowners association's (HOA), also known as "common interest community" (CIC), governing documents contain the rules, regulations, and all other contractual terms by which homeowners in that community are bound. If a property is part of an association, the Buyer becomes part of the association upon purchasing the property. Per the contract, the Seller is obligated to provide the association documents to the Buyer.

HOA documents need to be disclosed to the new homeowner / homeowners for the following reasons:

- They need to know the HOA's Covenants, Conditions and Restrictions (CCRs) so they can abide by them.
- To understand when, where and how much they need to pay for HOA fees.
- Be aware of any legal concerns or issues related to the HOA.

The following is an overview of what HOA documents are and how they can be obtained.

HOA Status Letter

If a property being sold is part of an HOA, the sale contract should specify that this is the case. Land Title will order the HOA Status Letter 3-4 weeks from the closing date, or as close to the closing date as possible, to obtain the most current status of the homeowner's account and to avoid any changes or rush fees. The HOA Status Letter provides the Closer a written status of the current dues for the property, when they are assessed, current standing of payment, and the balance of any outstanding amounts due and to be collected at closing. The HOA Status Letter may include a transfer fee (aka a Change of Record Fee), or a status letter fee, or sometimes both.

In most cases, HOA management companies are requiring a fee to compile and send the necessary documents. They may also require a separate fee for a status letter and a transfer fee upfront. Land Title and/or ComDocPro will pay these upfront and then collect the fees at closing.

CIC Documents

The Common Interest Community (CIC) documents should be ordered as soon as possible after the sale contract is executed, not only to meet the deadline specified in the contract, but to meet any other requirements the Buyer may request and to ensure the documents are the most updated. CIC documents provide the Buyer with the financial status of the HOA, meeting minutes, declarations, By-laws, Rules and Regulations, etc. Some associations will provide these free of charge to the Seller directly, while other HOAs will charge for them.

The CIC/Association Documents also include the CCRs which are disclosed on Schedule B-2- Exceptions page of the Title Commitment. Land Title will automatically include a copy of the CCRs 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.

ComDocPro

ComDocPro (Community Document Procurement) is an Association Documents provider for the real estate industry. They offer a full service option and a DIY option, and can also provide association documents for a “non-title document” order. (For more information, please check with ComDocPro at (303) 676-8482, or docs@comdocpro.com.). ComDocPro is familiar with the nuances of the different local HOAs, stays up-to-date on legislative changes for homeowners associations, and offers Continuing Education classes to real estate agents.

For more information on the Do-It Yourself tool, and on ordering and pricing for HOA documents, visit: <https://comdocpro.com/>.

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