

HOA Governing Documents and State HOA Law What you should know!

HOA governing documents and State HOA laws are very weak on enforcement from the homeowner's perspective. In fact, you will find little if anything written on enforcement in any law. Mediation is a weak option. Resolving problems between HOA homeowners and HOA Boards is completed via our costly, time consuming, and litigious court system that is a "pay-to-play process out of reach for most homeowners. The court process involves your hiring a lawyer with your limited funds and the HOA using your HOA funds (dues), their unlimited financial resources, and their lawyers to argue the case in court. If you lose you could pay thousands of dollars for the HOA's legal costs. Until Colorado HOA law changes to provide for an out of court, binding, low cost, accessible dispute resolution process we urge homeowners to avoid the court system. We at the Colorado HOA Forum advocate an out of court binding dispute resolution process (not mediation that has been in Colorado law for decades and not worked for home owners) to resolve HOA complaints. This would make our very comprehensive and definitive HOA laws enforceable for home owners. See our web site for an in-depth discussion.

Renters and HOA Fees: Your rental payment is made to the home owner. If the landlord doesn't pay the HOA dues you could be cut off from using community amenities and the home can be foreclosed resulting in renter eviction.

Property Management Companies and not your elected HOA Board normally manage the community and its' financial resources.

Buying a home in a Homeowners Association (HOA) is different. Learn what you should know **BEFORE** buying your home.



#1

Read the HOA Governing Documents to avoid problems

HOA Home Buyer's Guide Issues Infrequently Discussed

Most HOA Problems can be mitigated by

Home buyers reading and understanding the HOA's governing documents prior to purchasing a home and with Home owner involvement in HOA governance

HOA 55+ Communities: not what you think?



Not so quick! Do your homework.

HOA POST- PURCHASE home buying problems can be mitigated by becoming an informed consumer **BEFORE YOU BUY A HOME**

MAY NOT BE REPRODUCED OR USED FOR COMMERCIAL PURPOSES WITHOUT THE EXPRESSED WRITTEN PERMISSION FROM THE COLORADO HOA FORUM

Buying a home in a Homeowners Association (HOA) is different. Learn what you should know **BEFORE** buying your home.

HOA Home Buyer's Guide Issues Infrequently Discussed



Contact Us

Web site: www.coloradohoaforum.com

Email: coloradohoaforum@gmail.com

Most HOA Problems can be mitigated by:

- 1) Home buyers reading and understanding the HOA's governing documents prior to purchasing a home
- 2) Home owner involvement in HOA governance

HOA home sales transfer fees can cost \$350++ up to \$1000. If the seller makes a request to the HOA to obtain the documents listed in our Documentation brochure home closing costs can be reduced to \$50 or less. There are companies that will also provide this service for \$50, ask your Same process can save you \$100-150 on providing these documents to the Title Company. Ask your Realtor to help you save hundreds, it's their job.

HOA Home Inspection Report:: have home inspector get report and needed corrective actions on outstanding violations, this should be of no cost, just request it!

Did You Know?

(your HOA governing documents can provide answers to some of the issues in this brochure)

The HOA and Property Management

Company can assess a home sale transfer fee that simply charges the home seller for services already paid for with HOA dues



Who really manages the HOA? The management company

A fee not discussed that you will pay at some time or another and it can range from \$100-1,000+, no receipt or justification, just pay or the home won't be sold? HOA home sale transfer fee

The only affordable and accessible dispute resolution process for home owner complaints with their HOA is our costly, litigious, and time consuming court system

There are more fees paid by home owners other than HOA dues: special assessments, conservation district and metro utility district levy, reserve fund replenishment fees, entrance and club membership fees, restaurant usage fees, parking fees, dog ownership assessments, card keys, HOA dues to parent HOAs,

Home closing costs bring surprises

Your home can be foreclosed upon if fines, fees, and/or assessments are not paid

HOA dues can be increased without home owner approval

HOA Boards can enter into high cost legal cases without home owner knowledge or approval

HOAs are not regulated by State Agencies

An HOA mediator is not required to be knowledgeable about HOA law, is not a licensed profession, and thus anyone can mediate an HOA dispute

HOA governing document including controls, covenants, and restriction and State laws are mostly unenforceable from the home owners perspective



Property management companies can bill home owners without providing any receipt identifying what work was completed, when, and line item cost

HOA Home Buyer's Guide Issues Infrequently Discussed Issues

HOA Board of Directors are not term limited unless explicitly stated in the HOA governing documents

There is generally no dollar limit in the law on increases in HOA dues or special assessments

Boards often default authority for casting votes related to improperly completed proxy ballots to themselves

Too many rentals in a community can negate the opportunity for FHA and HUD loans

Governing documents and covenants can be changed by a vote of home owners and independently by a Board

An HOA Board member can be recalled

HOA property management companies often add their own oversight charges to contracts to vendors



Property management companies have no authority in decision making, awarding contracts, levying fines, foreclosing on homes, etc: they work for the HOA and not the opposite.

Selective enforcement of HOA covenants, controls and restrictions happens all the time

Home owners are often denied their legal rights to access HOA records and official documents

An HOA Board can approve a capital project such as a tennis court, spa, parking lot, or pool without the approval of home owners and make a special assessment to pay for it.

An HOA can be dissolved through home owner vote

If you fight your HOA in court and lose you could end up paying the HOA's legal fees + your own: weigh the cost-benefit of going to court, normally only the lawyers win

Home owners can vote to end rental properties

Absentee landlords, many with no interest in the community other than collecting rents, can control through their votes who serves on a Board



Governing documents that allowed dogs can be changed by a vote of home owners to ban dog ownership or restrict by breed, size, and number.

HOAs can restrict where kids play

HOA lawyers and property management companies may encourage a weak HOA Board to enter into litigation with low possibility of success and high legal costs or into capital improvement projects

Some 55+ senior communities allow teens and kids

Many HOAs don't adequately maintain their reserve fund



Maintenance free HOAs vary widely on what the home owner is responsible for maintaining

Gated communities provide greater security and traffic control but home owners own the streets and receive less police services

ADA Federal laws generally don't apply to HOAs but State Fair Housing laws provide protections for the disabled

Unpaid fees, dues, assessments, liens generally run with the property even after a sale

HOA Board members don't require any specific training nor are they held personally responsible for non-compliance with governing documents or State laws

Most HOAs are managed by property management companies and not elected Board members

Boards who allow community services to be performed poorly are not in violation of HOA governing documents

HOAs can restrict smoking marijuana smoking in common areas but not within a personal residence

All homes in an HOA may not pay the same amount in dues: sometimes dues are based on the size of the home other factors

HOA Board members are generally not held to be accountable for their actions unless they are involved in criminal activity

HOA Board members are not required to take any educational courses or read the HOA governing documents

Many HOA property management companies assess HOAs a contract oversight fees of 5-15% on capital improvement projects to supervise the work of the contractor (and its' supervisor)? Really!

Property managers hired by HOAs are not generally located on-site and may rarely be seen at the HOA

Condominium: common areas vs exclusive use, controls over your exclusive right to use areas such as decks/patios

IS THIS THE ORIGINAL HOUSE OR WERE ROOMS OR OTHER IMPROVEMENTS MADE TO ADD SPACE TO THE HOME OR RECONFIGURE THE BASIC/ORIGINAL DESIGN OF THE HOUSE: BUILDING PERMITS, INSPECTION OF WORK.

Most HOA Problems can be mitigated by:

Home buyers reading and understanding the HOA's governing documents prior to purchasing a home and with home owner involvement in HOA governance

Contact Us

Web site: www.hoahomebuyingkit.com

Email: hoahomebuyingkit@gmail.com