

Costs to Obtain Documentation:

These documents in official and current version should be available to home owners at any time through the HOA's web site, readily available at the clubhouse, or upon request to the custodian of such documents. The only charges to the



home owner related to producing the above documentation should be related to copying/reproduction or any extraordinary, nonrecurring, and unique expenses

incurred by the property management company due to the sale of the home. The costs to post this documentation to the web site, maintain in the clubhouse or other facility, or to update documents has already been paid for with home owner HOA dues and thus any charges other than those mentioned would be demonstrating duplicate billing. HOA Boards, Realtors, and home owners should demand that any HOA home sale transfer fee relating to producing the above documents be accompanied by a detailed invoice indicating what unique and extraordinary services were completed related to the sale of the home justifying the transfer fee else the fees represent duplicate billing and should be voided.

How to get the documentation:

Your Realtor should lead the effort to ensure you obtain all the documentation listed in this brochure. He/she will make requests to the HOA/HOA property management company at least four days before home closing. Most documentation is posted on the HOA web for easy access, downloading or printing and other than the seller's final billing statement with the HOA there is no privacy information issues.

HOA Home Buying Documentation (seller to provide buyer)

Obtain—Read—Be Informed



Many Problems encountered by HOA Home Owners could have been avoided if they read the HOA's governing documents **Prior** to purchasing their home.

Understand the HOAs controls, covenants, and restrictions; maintenance responsibilities; governance; finances; home owner financial responsibilities; and general living environment **Prior** to purchasing your home



Living in an HOA is different and involves giving up property rights and an ability to complete improvements to your home and surrounding areas without the approval of the HOA: be sure you can live with this arrangement prior to moving into the HOA by reading the documentation listed in this brochure

[Contract to Buy and Sell Real Estate: see section 7](#)
Documentation home seller must provide to home buyer and Title Company

Reading the HOA documentation listed in this brochure is not a substitute for answering all your questions. Our brochures on profiling HOA communities, maintenance responsibilities, CCRs (controls, covenants, restrictions), financial obligations of the home owner, and moving into the HOA community should be used to supplement the documentation listed in this brochure.



HOA Home Sale Transfer Fee: a costly, unjustified, undocumented fee assessed home sellers for providing documentation. The fee averages \$350 (up to \$1000) imposed on the home seller and assessed the Title company (which the home seller also pays) of \$150-250. HOA dues already pay for this service thus the fee represents a duplicate/triplicate billing by property management companies. This is an on-demand assessment, mostly first known to the home seller on day of closing, no explanation, no alternative to shop the marketplace for the service, and no invoice explaining what was done to earn the fee, when completed and line item cost. This is the only invoice you will pay with no receipt or justification to invoice.

Alternatives in Obtaining HOA Governing Documents and those required for home closing

HOAs through their property management company (PMC) have a lock on the means HOA governing documents and other documentation required under the law are provided to home buyers, Title companies and others. This is completed charging those requesting the documentation an HOA home sale transfer fee (TF). This fee could be \$50 not \$350 if home sellers were provided the option in the marketplace to complete this task. Companies provide this service to PMCs, PMCs use it but unavailable to home sellers. Note, the HOA doesn't profit from charging the TF: this is mostly an income enhancement scheme by property management companies and not justified by work completed, cost, or recovery of unreimbursed expenses.

**HOA Documentation
Sellers Must Provide to Buyers**
**Obtain and read these documents prior to
purchasing the home**
**These documents define the governance,
covenants, controls and restrictions, finances,
rules, etc. of the HOA: can you live by them?**

Realtors generally work with the HOAs management company to obtain these documents. Effective January 1, 2019, the standard residential real estate contract form includes additional documents that sellers must disclose to buyers.

Declarations

Articles of incorporation
Bylaws

Articles of organization
Operating agreements

Rules and regulations

Party wall agreements

**Responsible governance policies adopted under
§ 38-33.3-209.5, C.R.S.**

Minutes of the annual owners' or members' meeting; such minutes include those provided under the most current annual disclosure required under § 38-33.3-209.4, C.R.S. and minutes of meetings, if any, subsequent to the minutes disclosed in the Annual Disclosure. If none of the preceding minutes exist, then the most recent minutes, if any.

Minutes of any executive boards' or managers' meetings; such minutes include those provided under the most current annual disclosure required under § 38-33.3-209.4, C.R.S. and minutes of meetings, if any, subsequent to the minutes disclosed in the Annual Disclosure. If none of the preceding minutes exist, then the most recent minutes, if any.

List of all Association insurance policies as provided in the Association's last Annual Disclosure, including, but not limited to, property, general liability, association director and officer professional liability and fidelity policies. The list must include the company names, policy limits, policy deductibles, additional named insureds and expiration dates of the policies listed.
A list by unit type of the Association's assessments, including both regular and special assessments as disclosed in the last Annual Disclosure.

The most recent financial documents which consist of:

The **Association's operating budget for the current fiscal year**

The **Association's most recent annual financial statements**, including any amounts held in reserve for the fiscal year immediately preceding the Association's last Annual Disclosure

The results of the **Association's most recent available financial audit or review and reserve fund study**

The list of the fees and charges (regardless of name of title of such fees or charges) that the Association's community association manager or Association will charge in connection with the Closing including, but not limited to, any fee incident to the issuance of the Association's statement of assessments (Status Letter), any rush or update fee charged for the Status Letter, any record change fee or ownership record transfer fees (Record Change Fee), fees to access documents

Copy of latest reserve fund study

A list by unit type of the Association's assessment, regular and special, per last Annual Disclosure

List of all assessments required to be paid in advance, reserves or working capital due at Closing reserve study, if any.

Any written notice from the Association to Seller of a "construction defect action" under § 38-33.3-303.5, C.R.S. within the past six months and the result of whether the Association approved or disapproved such action.

Document disclosure requirements have applied to community associations since 2005 under [Section 209.4 of the Colorado Common Interest Ownership Act](#) ("CCIOA"). **Even though associations must provide many of these documents at no cost to individual owners pursuant to CCIOA, associations can charge to fulfill title company requests for these documents.**

Home buyer's should also obtain from the HOA a document listing maintenance responsibilities of the HOA and that of the home owner: see our Maintenance Guide.

Status Letter/Final Seller Account Statement**

The seller to request a status letter "at least fourteen days prior to the Closing Date." . The Status Letter is another term for a document indicating the seller's financial status and outstanding obligations with the HOA. Included but not limited to balance owed/current on HOA dues, outstanding fees and assessments, unpaid fines or other debt to the HOA. Note, this all should be current and routinely part of any home owner's billing statement each month or upon request at any time of the year. No special legal/lawyer certification is required by the HOA or by law or by the Title company. **

Settlement Statement: generally sent to the Title company indicating what is due from the home seller and buyer at closing. If there are no outstanding fines, fees assessments due, or HOA dues the seller's settlement statement will indicate zero. If an HOA has a requirement to collect a certain number of month's HOA dues at time of home closing then the home buyer will pay this at time of closing. No special legal/lawyer certification is required by the HOA or by law or by the Title company. **

HOA Agreements: Ask about any additional agreements you will be signing upon and shortly thereafter with the HOA. For example, will the HOA require any proof of age if moving into an HOA community, signing anything concerning your children, agreements on assigned parking or security arrangements, agreements that as a home owner you will not be completing any particular activity, etc.

If you request all these documents from the property management company there should be no home sale transfer fee cost saving you hundreds of dollars. The only cost should to hardcopy documents or to prepare a CD or file transfer the latter which cost next to nothing. Check your home closing documents to ensure the home sale transfer fee is nominal else you should ask your Realtor to intervene on your behalf.

**Home sellers should be able to obtain copies of all documentation for no cost/copying cost from their HOA to provide to the buyer and Title company. Often can be obtained from HOA web site. A copy of the Status Letter (final billing) should be available upon request for no cost. A payoff/settlement statement to the Title company should be of minimal cost to cover labor and processing (approximately \$25-50). Private companies can complete all documentation, Status Letter and settlement statements for \$125 or less: write us for references and sources for private company services. Sellers should demand a detailed receipt from the management company for any of these services identifying what was done to earn the fee, when completed and line item cost. No charges should be included that have already been paid for via HOA dues: this would be duplicate billing.