

HOA governing documents and State HOA Law What you should know!

HOA governing documents and State HOA law are very weak on enforcement from the homeowner's perspective. In fact, you will find little if anything written on enforcement (mediation is an option). Resolving problems between HOA homeowners and HOA Boards and property management companies is left to our courts: a costly, time consuming, and litigious process out of reach for most homeowners. Pursuing your homeowner's rights will involve 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 most likely will pay thousands of dollars for the HOA's legal costs. Until Colorado HOA law changes to provide for an out of court, 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.

Colorado HOA Forum: a home owner's advocacy group dedicated to improving HOA governance and enforcement of home owner's rights.
Contact us:

Colorado HOA Forum
www.coloradohoaforum.com

A guide to help home buyers match the profile of the HOA with their community requirements and expectations



Colorado HOA Home Buyer's Guide

HOAs expect conformance not creativity
You fit into the community not the community fitting to you

All HOAs are different
Different control, covenants, restrictions, amount of HOA dues, pet/child restrictions, parking rules, home business rules, etc.
Avoid post purchase blues by using this guide to re-search the profile of an HOA and to see if it fits with your expectations



Not so quick! Do your homework.

#1: Read the HOA Governing Documents

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Guiding Principle of HOAs
You give up something to get something

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

Colorado HOA Home Buyer's Guide

Get answers to questions and issues in this guide
before you buy!



A valuable checklist for HOA home buyers that will mitigate post purchase problems

Read the HOA Governing Documents, Understand the Controls, Covenants, and Restrictions before Closing on the Home!

The HOA Home Buyer's Worksheet and HOA Home Buyer's Maintenance Brochure are available on our web site

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The Basics:

If it is important to you get it in writing.

Read the HOA governing documents. THIS IS A MUST, THEY WILL IDENTIFY WHAT YOU CAN AND CAN'T DO!

Your home ownership temperament? Are you willing to give up home owner's rights and live by community controls, covenants, restrictions?

Get the home inspected. Get it in writing what is to be repaired by you, the HOA, or home seller? Any pending HOA issues with the home?



HOA Governance:

HOA governing documents define the controls, covenants, and restrictions (CCRs), if not in compliance you will be fined, can lead to home foreclosure

Are there term limits on Board members to ensure that all who want to serve can serve?

Ask if there is an elected Board or is the HOA still under control of the developer who is making management and financial decisions for the community.

Research the property management company: they run most HOAs

HOA Dues, Fees, Special Assessments:

Confirm the amount of HOA dues

Separate fees for garbage and recycling

Any additional fees for using amenities, parking spaces?

Any active/planned special assessments?

Any pending litigation that could result in a special assessment?

Compute your total cost of living in the HOA: dues, fees, mortgage



HOA Insurance Costs vary by HOA: Verify that the HOA carries insurance as required in the governing documents, what the insurance covers, and let your insurance agent know about HOA insurance coverage that can lower your rates.

HOA Home Buyer's Guide

(and living in an HOA Community)

Foreclosures, Rentals, Liens:

The number of foreclosures in the HOA?

Rental restrictions?

The number of rentals in the community.

Any HOA or other liens on the property?

HOA Financial Status:

Analyze the HOA's latest financial statement and get a confirmation of adequacy of the reserve fund. If the fund is inadequate a special assessment may be pending to replenish.

The number of homes that are in arrears on their HOA dues.

Maintenance Free: not all HOAs are maintenance free.

Review maintenance responsibilities of HOA related to snow removal, lawn service, tree trimming, house painting, cement work, etc.?



General Restrictions and Special Needs:

Parking on the street or overnight parking in the driveway may be prohibited.

Children friendly?

Parking restrictions?

Pet rules and restrictions can be more defined and controlling versus local animal control laws.

Age restricted communities have rules concerning children living in your home or others who may be unrelated to you.

Smoking/marijuana restrictions

If you have special needs due to a disability ensure the community meets your needs related to parking, walking, wheel chair compatibility sidewalks, and access to the clubhouse and community amenities.



Verify who owns the mineral rights below the home?

Read our Maintenance and Move-in Guides

Profile the HOA for compatibility with your life style, needs and expectations prior to purchase!



Stop, Look and Listen: visit the community

Noise, open music, outdoor speaker restrictions

Visitor restrictions, visitor parking

Check out the schools/bus stops

Observe the condition of paint on homes, cracks in sidewalks and driveways, roofs on homes, etc.

Consider Your Temperament: can you tolerate someone telling you what to do?

Home Business Restrictions/Parking Business Vehicles

Golf course/restaurant owned by HOA? If so what are fees and assessments? Who can use and when? Are your HOA dues used to subsidize the course?

Swimming pool and community amenity usage rules that may restrict children

How are utilities, water, cable tv, police and fire services provided?

Gated or ungated: gated communities require access security, HOA maintains streets, complete own snow removal, traffic control limited

Demographic restrictions: 55+ communities
Restrictions on pets: number, size, breed, dog run, controls over barking and leash law
Fences allowed?

Use of common areas for kids, preclude dogs?

RV rules and restrictions, parking rules?

Clubhouse usage and restrictions and hours

**Informed Consumers
Make
Better Decisions**

More Home
Buyer's Help

The HOA Home Buyer's Worksheet, Home Buyer's Maintenance Guide, and Move-in and Documentation Brochures are available on our web site