



**HOA Home Sale Transfer Fees-Condominium Questionnaire Fee  
Reduce the cost of these abusive and excessive fees  
and  
Dirty Little Secret about HOA Home Sale Transfer Fees**

It's labeled the HOA Home Sale Transfer Fee (TF) but home owners know it as a fee on the home closing sale document that is unexpected, unexplained and never accompanied by a detailed receipt of work completed to earn the fee. It ranges from \$100 to \$350 (average) to over \$1,000, is assessed and retained by the HOA's property management company (PMC), amount is only unlimited by what the PMC can convince an HOA Board is reasonable and costs home sellers/buyers upwards of \$10-12 million a year. It is the only billing to a consumer that is pay on demand, no explanation or documentation of what was completed, when and line item cost and if not paid the home is not sold. Home owners in the know and organizations like the Colorado HOA Forum, a home owner's advocacy organization, understand the fee represents an opportunistic means for PMCs to gain revenue and the contended costs have already been paid for with HOA dues.

Our public seminar on October 1, HOA Home Sale Transfer Fees-Condominium Questionnaire Fee, explained the TF to attendees and solutions for reducing the fee from on average \$350 to \$50. Specifically, legislation is required to 1) make HOA data, managed and controlled by PMCs, available to authorized third party TF and Condo Questionnaire providers creating a marketplace for sellers/buyers for an alternative and less costly means to fulfill TF tasks and/or 2) create a State data base managed by the State's HOA Office and require HOAs to submit TF documentation (and Condominium Questionnaire) to the State upon registration: no privacy act information issues and access to general public (home owners/sellers, Realtors, Title companies, prospective buyers). Neither requirement would impose any measurable cost on the HOA, home owners, or PMC but would save millions for home owners. Note, the solution for reducing the Condominium Questionnaire, required by mortgage companies in the purchase of a condominium unit, cost from \$75-175 to \$25 is similar to that of the TF solution.

## **Now the dirty little secret about the TF fee.**

There are companies in the marketplace that provide TF home closing services for \$50 NOT the \$350 charged by property management companies. PMCs actually use this service (not available to home sellers) but continue to charge home owners \$350. Since no detailed receipt is provided to those paying the home sale TF the deception and false justification for this fee doesn't surface. Note, the TF is supposed to only include costs related to, unique and extraordinary with the sale of a home (else the charges to the home seller would be a duplication of that already paid for with HOA dues). PMCs have been successful in blocking any legislative actions to require a detailed billing invoice as it would expose that the "contended" expenses charged to home sellers aren't unique and extraordinary but simply ordinary and recurring charges deserving no special assessment to the home seller. In other words, an income enhancement scheme financed with home seller's wallets. Furthermore, for anyone, Realtor, PMC, Title Company or HOA Board, to suggest "just pay it" don't contest it is insulting to the consumer and shows no respect by Realtors for their customers.

Simple legislative actions can save home owners millions each year without raising HOA fees, using taxpayer dollars or financially burdening business: 1) require a detailed receipt to the payee for TF 2) HOAs, upon yearly registration, would transmit governing documents and other information required for home closing (all non-privacy act type information) to a State data repository for access by home seller/buyers, Realtors, and Title companies to complete any TF tasks and 3) HOA contracts with PMCs would indicate the responsibility of PMCs to transmit data to the State and allow access to HOA data/information as authorized by the HOA to TF and Condo Questionnaire service providers creating a competitive marketplace.

The Governor recently vetoed the HOA PMC licensing Bill mostly due to a lack effectiveness in serving consumer issues. The Bill will be rewritten and legislated and must include the above major cost savings recommendations for starters. Regulation should bring integrity to the industry and benefit consumers and the opportunity is now. Most importantly, these legislative reforms would create a competitive marketplace to save home owners millions of dollars a year.