

## 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](http://www.coloradohoaforum.com)

Buying a home in a Homeowners Association (HOA) is different.



## Colorado HOA Home Buyer's Guide

(and living in an HOA)

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**Not so quick! Do your homework.**

### #1 Read the HOA Governing Documents

Developed by: **Colorado HOA Forum**  
[www.coloradohoaforum.com](http://www.coloradohoaforum.com)

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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

(and living in an HOA)



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

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

## The Basics:

Your realtor should work with you to obtain this information. If they don't, get another realtor.

**If it is important to you get it in writing.**

**Get the home inspected. Get in writing what is to be repaired by whom.**

**Read the HOA governing documents.**

Some call them the by-laws or the community's covenants, controls, and restrictions. The HOA should provide these free via their web site or for a minimal cost. HOA's can impose fines for violations.



## HOA Governance:

**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 will make management and financial decisions for the community.

**Research the property management company: they run most HOAs**

**Dispute resolution and enforcing HOA governing document:** fines and fees for non-compliance, penalties for late dues payments. Read about enforcing your rights (flip side this brochure)

## HOA Dues, Fees, Special Assessments:

**Confirm the amount of HOA dues**

and what they are used for: snow removal, lawn service, tree trimming, house painting, cement work, garbage and recycling, cable TV, etc. Are there additional dues to other entities?



**Ask about the HOA "transfer fee"** (to basically change names on homeowner records) and if greater than \$50 ask that it be reduced or not included in closing costs: this is an optional charge.

**Do you pay extra to use any amenities?**  
**Any active/planned special assessments?**

# HOA Home Buyer's Guide (and living in an HOA)

**HOA Insurance:** 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 Financial Status:

**Analyze the HOA's latest financial statement** and get a confirmation of the **reserve fund** that is used for capital improvements.

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

**Amount of outstanding dues**



## 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?

## General Restrictions and Special Needs:

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

**Storage and long term parking areas?**

**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 restrictions (condominiums)?**

**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 that you own the mineral rights below the home?**

**Is there any pending litigation against the HOA?**

**Ask Before You Do! Get approval for home improvements and other projects or events**

## Stop, Look and Listen: visit the community:

**Visit the community** during weekdays, weekends, days and evening to get an idea of the traffic in the neighborhood and other issues that may be of concern to you.

**Observe the condition** of paint on homes, cracks in sidewalks and driveways, roofs on homes, etc. If maintenance is an overt problem and the responsibility of the HOA it may signal financial problems with the HOA reserve funds or lack of operating capital.

## Home Business Restrictions

**Dispute Resolution:** use the CAM complaint process until Colorado implements an out of court binding dispute resolution process



**Informed Consumers  
Make  
Better Decisions**

More Home  
Buyer's Help

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