

HOA Transfer Fee Alert

If you or anyone you know are planning on selling or buying a home in an HOA and closing on the sale after July 1, 2015 AND there is an HOA Transfer Fee involved, [please let us know](#). We will help you in protesting this fee with DORA under the new property management (PM)** licensing and guidelines and requesting a refund.

The forthcoming PM licensing law should mention the requirement for full disclosure of any fees charged by the PM company. Additionally, there are expected guidelines indicating that HOA PM companies must operate in an open and ethical manner. This includes justifying in detail all services and charges to the HOA or home owners. Legislation to end/limit this abusive and unwarranted fee (and an illegal fee based on State legislation SB 11-234's definition of the use of this fee) was killed by the Community Association Institute's (CAI) influence in 2014: the legislation was turned into an empty disclosure law within the PM licensing law to handle abuse. Disclosure will not place any limit on the amount of the fee!

Thus the PM licensing law and its' disclosure requirements were meant to replace any direct (and effective) means of limiting or ending the abusive HOA Transfer Fee. The advocates of the HOA Transfer Fee understand a disclosure law simply provides the illusion of ending abuse but places no direct oversight or rules to contain such abuse. PMs, the CAI, large property management companies, and others that profit from this fee count on the DORA disclosure requirements to be ambiguous and general at best making oversight difficult to impossible. They also count on such guidelines to be open and allowing PM companies to skillfully integrate verbiage into HOA contracts to justify the continued, unwarranted, and unjustified charging of this fee. Final guidelines are pending and DORA's specific disclosure requirement on HOA fees, assessments, and charges by PMs will determine how well they really want to oversee the PM industry and make challenging abusive fees by home owners workable.

DORA's PM guidelines should indicate that all HOA Transfer Fees must be related to costs incurred by the PM in the sale of the home (supported in HB 11-234). Specifically, this means the charges/expenses involved in the HOA Transfer Fee that are assessed by the PM, retained by the PM, and amount determined by the PM must be extraordinary costs not otherwise compensated for to the PM in their contract with the HOA. Anything less would be derelict on the part of DORA.

Legislation is still needed to end or limit this fee so home owners don't have to protest it and DORA doesn't have to review each complaint on the fee and consume the time of home owners, HOA Boards, and property managers in investigating fees and their justification. The guidelines and new PM licensing law do provide for challenging practices of Pms and we will use it in the interim to protect home owners. We will work with all home owners to send a protest (complaint) to the Department of Regulatory Agencies (DORA) under the new PM licensing law to gain full or partial refund of the HOA Transfer Fee and to put abusive PMs on notice that this practice must end. Note, complaints resulting in punitive action by DORA against a PM can result in revocation of a license

***Email the Colorado HOA Forum: coloradohoaforum@gmail.com
or coloradohoaforum@aol.com or [use our web site](#)

[*Property managers are also referred to a Community Association Managers \(CAM\)](#)