



## Ten Things Every **Homebuyer** Should Know!

1. Do your HOA homework before you make an offer! Don't buy the perfect dream home in the neighborhood from hell.
2. Know who is in control. Almost always the association is a non-profit corporation and is governed by a board of directors. This is either the declarant (developer/builder) or elected residents. Only 20% of associations contract with a professional management company for day to day operations.
3. Know if your association is pre or post transition. The process of transferring control from the developer to the association residents is called 'transition'. The developer has wide latitude to amend the documents and change development standards when in control.
4. Ask for and read the governing documents before making an offer.
5. Ask for and review the association financials. – Review the operating budget and make sure the reserve fund is adequate for future capital projects without special assessments.
6. Know that association fees (assessments) are required and that the board usually has the authority to impose special assessments.
7. Know that you have to live by the rules, or in the alternative, gain the support of the community to amend the governing documents and rules.
8. Know that the board has the power to assess fines, restrict access to services, place liens, and foreclose.
9. Know that HOA laws vary widely by state and are complicated. Right or wrong, lawsuits are expensive, time consuming and stressful. Better to educate yourself rather than becoming involved in a lawsuit.
10. Don't be a whiner if you don't do your homework and purchase in a community with HOA issues. Your alternatives include:
  - accepting the issues
  - making things better by becoming involved
  - filing a lawsuit, or
  - moving

