

A review of resale certificates, transfer and refinance fees:

In real estate transactions, a buyer is entitled to all information that significantly affects the enjoyment and livability of the purchase property. This is often referred to as "resale disclosure" information. In many states, the seller is required by law to provide such information in writing to prospective buyers prior to closing. Unfortunately, many states fail to include information a buyer of property in a homeowner association needs to know. Owners in homeowner associations have unique obligations that single family home owners do not and some of it involves substantial financial liability.

Here is a list of items that an HOA buyer needs to make an informed purchase decision:

- Are any special assessments being discussed?
- Copy of the current year's budget and Year to Date Financial statement.
- The monthly (usually but may be quarterly or yearly) assessment for the unit/home.
- Amount of funds in the reserve account for major repairs and replacements.
- Copy of the most recent year end income and expense statement.
- Is the HOA involved in any litigation? If so, get details.
- Details on the association's insurance coverage.
- Is the subject property in violation of architectural guidelines?
- Review the governing documents, rules and architectural guidelines.
- Are there any specific rules on pets, parking or rental restrictions?
- Copies of most recent year's approved Board meeting minutes.
- Copies of most recent year's association newsletters.

Much of this information is maintained and provided (for a fee) by the association. Real estate transactions are complex by their nature. That's why most buyers and sellers use trained professionals like real estate agents, escrow officers and attorneys to assist them. These buyers and sellers rely on these professionals to advise them on the critical issues. A buyer's understanding of real estate law is not critical but understanding the impact of resale information is.