

Step 12 to Buying a Home:

Review the Title Report & Neighborhood Documents (HOA's)



If you're buying a condo, you need to review and approve or disapprove the condominium documents. These documents generally include the Declarations and Bylaws, the Rules and Regulations, the current year budget, the meeting minutes, and the re-sale certificate. If you're buying a single family home in a development/neighborhood that have Covenants, Conditions & Restrictions (CC&Rs) you may have the same documents, but not the 'resale certificate'.

The reason you need to review these documents is to ensure that the Association is healthy financially or if there could be potential problems, either with big upcoming maintenance issues or delinquent owners who aren't paying their HOA fees, etc. When you buy a condo, you're not just buying your particular unit, but you're also buying into the building. You need to figure out if the building is stable. When reviewing the documents look for rules such as:

- 1. Are there pet restrictions (number of pets, breeds, weights, etc.)?*
- 2. Can you move in any day/time or are there restrictions on when you're allowed to move in?*
- 3. Are there are move in fees or procedures such as needing to reserve an elevator?*
- 4. Can you lease your unit and, if so, for how long?*
- 5. Is more than 50% of the building renters? If so, there is a good chance your mortgage lender won't approve the loan as a building with too many renters is a risky investment*
- 6. Are there any current or pending special assessments that are over and above the normal dues.*

For all of the above reasons, it is strongly urge you to read each document thoroughly. Write down any questions or issues you'd like to know more about so we can ask for clarification or further documentation. Pay particular attention to the meeting minutes as this is often where you'll learn what's really going on in the building and any future plans for big ticket repairs.