



HOA Assessments (Dues) vs. HOA Special Assessments

Typically, during the course of an escrow when there is a Homeowners Association (commonly referred to as “HOA”) involved, it is a function of escrow to order the HOA document package and the HOA statement. The HOA statement will provide, among other information, the amount of the regular HOA assessments (also known as HOA dues), and then indicate if they are paid monthly, quarterly, semi-annually or yearly. Regular HOA assessments are routinely prorated between Buyer and Seller at Close of Escrow. HOA assessments should not be confused with a “special assessment”.

A special assessment is a separate, additional charge against the property. Unlike regular HOA assessments, many HOA’s will not allow HOA special assessments to be assumed, but rather require them to be paid by the Seller at the time of closing. This exception to Paragraph 17 (Prorations) in the Purchase Agreement must be agreed to in writing by the Buyer and Seller.

You may see that the HOA dues are prorated at the close of escrow and are reflected on the closing statement. However, Escrow Holder will not prorate the balance due on special assessments unless said assessments are allowed to be “assumed.”

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