

When selling a property that is affected by a Homeowners Association (HOA), Sellers are required, by law, to provide certain documentation to Buyers within the time frame specified in the California Residential Purchase Agreement (CA RPA).

**California Civil Code Sections 1365 and 4525 requires the following documents to be provided by the Sellers to the Buyers:**

- » Articles of Incorporation
- » Covenants, Conditions & Restrictions (CC&R's)
- » Bylaws
- » Operating Rules
- » Restrictions based on age, rental use, etc.
- » Annual Budget
- » Reserve Funding
- » Financial Statements of the association
- » Assessment Enforcement Policies
- » Insurance Summary
- » A statement regarding the HOA's current regular and special assessments and fees
- » Any emergency assessment information
- » Notices regarding defects to units or common areas
- » Any pending change to the HOA's regular or special assessments
- » Notice of any unresolved violations of the governing documents
- » A current statement of account for the property in question

**The CA RPA also specifies items that must be provided to the Buyers in addition to the items above required by law; they are:**

- » Disclosure of any pending or anticipated claim or litigation affecting the HOA
- » A statement regarding parking and storage spaces
- » Copies of the most recent 12 months of HOA meeting minutes
- » Contact information for all HOAs governing the property

The CA RPA contains specific deadlines for Sellers to request HOA documents and to provide them to Buyers. Escrow needs accurate information and timely payments in order to facilitate these contractual deadlines. In addition, the CA RPA is contingent on the Buyers' approval of these documents.

The amount that an HOA may charge for documents is not regulated and varies. Most of the time, HOA's require up front payments for the documents and will not release them to escrow until payment has been received. The cost can be significant, often upwards of \$500 per association. If there is more than one association affecting the property, escrow will need a complete package of documents for each association.

Since the CA RPA calls for the Buyers to sign a receipt for the detailed list of items, using an incomplete package or "recycled" HOA document package is not a viable option.