



Real Estate Listings, Closing Documents, and All-In-One's Role

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Before a home can close and ownership is transferred to a new owner in one of our client's communities, the Real Estate Industry requires information about the unit and association to be verified by All-In-One Community Management (AIO). The information provided by AIO also ensures unpaid balances owed to the Association are recovered at closing and new homeowners are added to the associations database. The remainder of this article will explain the process of completing this requirement.

Phase 1: Listing a Home for Sale

A unit owner determines they want to list their home on the market. They get ahold of a real estate agent who is required to have answers to the following questions before they can list the property on FMLS.

- 1. Is there a Master Association, if so what is the Master Association Fee:*
- 2. Association Fee:*
- 3. Frequency of association fee:*
- 4. Description of association: (Optional, Mandatory, Swim-tennis, none)*
- 5. HOA Contact Phone Number:*
- 6. Is there an Initiation fee, if so what is the amount:*
- 7. Management company name, email, and contact number*
- 8. If mandatory does it include swim and tennis?*

Most homeowners know all the answers themselves but if they cannot find them, AIO will provide these answers at no cost to the homeowner or Real Estate Agent. However, AIO will not be able to provide answers to questions not on this list.

Once they receive an offer to go under contract on the unit, the Georgia Association of Realtors requires **Form F55 – Community Association Fees, Disclosures and Related Issues** be included in the contract as an Exhibit. (this form example is attached at the end of this article) As you will see this form is lengthy and requires extra effort and time to complete. Homeowners or real estate agents may fill this form out themselves. However, if they wish to obtain all the information necessary to complete this form from AIO, we will provide it for them for a fee of \$60.

Phase 2: Preparing for Closing

Once both parties agree to move forward and head to closing, specific information is required by the mortgage companies and closing attorneys. This information is called many different names across the industry, Statement of Account, Closing Letter, Closing Package, Estoppel Letter, Resale Package, Clearance Letter, etc.

The Closing Package provided by AIO is usually ordered by the Closing Attorney's Law Firm and is purchased at www.homewisedocs.com it include answers to the following:

- 1. Property Address*
- 2. Is the account in collections?*
- 3. Current Assessment Dollar Amount*
- 4. Assessment Frequency (annual, semiannual, monthly, quarterly)*
- 5. What date the assessment is currently paid through for the account?*
- 6. When is the next due date for the next assessment?*
- 7. What day of the month assessments are due?*
- 8. How many days after the due date is the assessment considered delinquent?*
- 9. What is the penalty for delinquent assessments?*
- 10. How many assessments is the closing attorney required to collect at closing for the association?*
- 11. Are there any current special assessments?*
- 12. Owners current balance*
 - a. Plus breakdown of the balance*
- 13. Are there any violations against the unit?*
- 14. Is the association or developer involved in any current or pending litigation?*
- 15. Insurance Broker/Agent's company name*
- 16. Insurance Agent's name*
- 17. Insurance agents contact information*

Supporting documents provided in the package may include:

- 1. Governing Documents (bylaws and covenants)*
- 2. Any rules and regulations*
- 3. Architectural Guidelines*
- 4. Insurance Declaration*
- 5. Budget*
- 6. W9*

As you can see, this information is not merely a letter indicating how much the homeowner still owes the association. Any homeowner may obtain a copy of what they owe the association at anytime for free. They may access this information on the web portal associated with their account. However, much more information is required for the home to close.

It is important to understand processing these closing requests is not apart of the day to day operations of a management company for their clients (Association's Board of Directors) but is a unique service provided to individuals selling their home at their request. The Association does not pay for services provided to one individual homeowner.

Once the order is placed on HomeWiseDocs, AIO has 5 business days to complete the order according to Ch 3 of Title 44 of the Official Code of Georgia Code Section 44-3-109. We encourage closing attorneys to order closing documents early with ample time before the closing date to avoid paying a rush fee. However, if you are in a crunch, you may select to pay an optional rush fee to have the ordered expedited to be completed within 1 or 3 business days.

AIO Charges the following up front fees to process the Closing Package

Closing Package Fee: \$255.00 (includes a \$10 document fee and \$245 transfer fee)

Optional 3-Day Rush Fee: \$75.00

Optional 1-Day Rush Fee: \$125.00

Convenience Fee (purchasing with credit card, merchant fee): \$5.00

Phase 3: Closing

Once the closing happens, the work is not done for AIO. AIO waits to receive notice from the closing attorney that the home has successfully transferred ownership.

In the past, there was no way to know when this occurred be notified by the new owners. The closing attorneys have no obligation to keep us in the loop. We found that several weeks if not months would go by before we had reliable information of new homeowners. Since it is important for many of our clients to welcome new neighbors into their association, we added a New Account Setup fee of \$10 to be collected at closing. By adding this fee, closing attorneys must send the \$10 check to our office which indicates the home has transferred. Now, we generally receive this notice within 2 weeks of closing allowing us to add the new homeowners to the association database and welcome the them to the community.

**COMMUNITY ASSOCIATION FEES, DISCLOSURES
AND RELATED ISSUES ("DISCLOSURE")
EXHIBIT " _____ "**



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This Exhibit is part of the Agreement with an Offer Date of _____ for the purchase and sale of that certain Property known as: _____, _____, Georgia _____ ("Property").

I. Directions for Filling Out This Disclosure. Seller agrees to fill out this Disclosure accurately and completely to the best of Seller's knowledge and to promptly update and provide Buyer with a revised copy of this Disclosure up until Closing if new information is learned by Seller which materially changes the answers herein.

II. General Disclosures. Seller hereby discloses the following to the Buyer:

A. TYPE OF ASSOCIATION.

In purchasing the Property, Buyer will either become or have the right to become a member in the following type of community association ("Association"):

[Select all which apply. The section not checked shall not be a part of this Exhibit.]

- Mandatory Membership Condominium Association
- Mandatory Membership Homeowners Association
- Voluntary Membership Homeowners Association

B. IF PROPERTY IS A CONDOMINIUM UNIT.

If the Property is a condominium unit, the number of units in the condominium is as follows: _____.

C. AGE RESTRICTIONS.

The Association in which the Property is located is OR is not age restricted?

If the Community is age restricted, occupancy is limited as follows:

- At least 80% of the occupied units are occupied by at least one person who is 55 years of age or older ("Over 55 Exemption")
- All units are occupied by persons 62 or older ("62 and Older Exemption")

D. EXISTENCE OF MASTER ASSOCIATION.

In addition to the Association referenced above, there is OR is not a master association of which Buyer shall become a member or in which the Association is already a member.

E. CONTACT INFORMATION FOR ASSOCIATION:

Name of Association(s) _____
Contact Person / Title: _____
Property Management Company: _____
Telephone Number: _____
E-mail Address: _____
Mailing Address: _____
Website Address of Association: _____

III. Information Regarding Who Pays Different Fees.

A. DISCLOSURE REGARDING FEES.

Owners living in a mandatory membership community association have to pay certain ongoing fees, charges and assessments (collectively "Fees") to the association. Fee can and do increase over time and, on occasion, there may be the need for a special assessment. The risk of paying increased Fees is assumed by the buyer in living in a community with a mandatory membership association.

THIS FORM IS COPYRIGHTED AND MAY ONLY BE USED IN REAL ESTATE TRANSACTIONS IN WHICH _____ IS INVOLVED AS A REAL ESTATE LICENSEE. UNAUTHORIZED USE OF THE FORM MAY RESULT IN LEGAL SANCTIONS BEING BROUGHT AGAINST THE USER AND SHOULD BE REPORTED TO THE GEORGIA ASSOCIATION OF REALTORS® AT (770) 451-1831.

B. AMOUNTS TO BE PAID BY SELLER.

- 1. ACCOUNT STATEMENT OR CLEARANCE LETTER:** NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY CONTAINED IN THIS DISCLOSURE, SELLER AGREES TO PAY THE COST OF ANY ASSOCIATION ACCOUNT STATEMENT OR CLEARANCE LETTER ("CLOSING LETTER") INCLUDING ALL AMOUNTS REQUIRED BY THE ASSOCIATION OR MANAGEMENT COMPANY TO BE PRE-PAID IN ORDER TO OBTAIN SUCH CLOSING LETTER.
- 2. Assessments and Special Assessments:** Seller agrees to pay: a) all Fees owing on the Property which come due before the closing so that the Property is sold free and clear of liens and monies owed to the Association; and b) any Transfer and Initiation Fees (as that term is defined below) which the Association designates are to be paid by the Seller. If a special assessment may be paid in installments without penalty over a period of time, those installments coming due before the date of Closing shall be paid by the Seller and those installments coming due after the Closing shall be paid by the Buyer.

C. AMOUNTS TO BE PAID BY BUYER.

- 1. Transfer and Initiation Fees:** Other than the amounts to be paid by Seller above, Buyer agrees to pay any initiation fee, capital contribution, new member fee, transfer fee, new account set-up fee, fees which are referenced by a different name, other similar fees which are required to be paid to the Association and/or property management company as a one-time fee associated with the closing of the transaction and fees to transfer keys, gate openers, fobs and other similar equipment (collectively, "Transfer and Initiation Fees"). Advance assessments due at closing for a period of time after closing, shall not be Transfer and Initiation Fees and are to be paid by Buyer. Move-in fees, including fees and security deposits to reserve an elevator, shall not be a Transfer and Initiation Fee and are to be paid by Buyer.

IV. Fees to be Paid to the Association.

A. TRANSFER AND INITIATION FEES. [Select all which apply. The sections not checked shall not be a part of this Agreement.]

Buyer will need to pay the following Transfer and Initiation Fees at Closing or as part of moving into the Association:

- Initiation Fee \$ _____
- Transfer Fee \$ _____;
- New Account Fee \$ _____;
- Fee to Transfer Common Area Keys, Gate Openers, Fobs, Etc. \$ _____;
- Other Fee (Excluding Closing Letter Paid by Seller) _____ \$ _____; and
- Other Fee (Excluding Closing Letter Paid by Seller) _____ \$ _____.

B. ANNUAL ASSOCIATION ASSESSMENTS.

- 1. Mandatory Membership Association:** Buyer will have to pay annual assessments to the Association so long as Buyer owns the Property to cover the Buyer's share of common expenses. The estimated total annual assessment paid by the owner of the Property to the Association is currently _____ and is paid in _____ installments.
- 2. Voluntary Membership Association:** If Buyer becomes a member of Association, Buyer shall be responsible for paying an annual assessment estimated to be _____ and paid in _____ installments.
- 3. Master Association:** If the Buyer of the Property will also be obligated to pay an annual assessment to a master association, the annual assessment is estimated to be _____ and shall be paid in _____ installments.

C. ASSESSMENTS PAY FOR FOLLOWING SERVICES AND AMENITIES. The following services and amenities are paid for by the Association from the annual assessment: [Select all which apply. The sections not checked shall not be a part of this Agreement.]

Utilities for Property

- Gas
- Water
- Electric
- Heating
- Sewer

Services

- Concierge
- Gate Attendant
- Trash Pickup
- Road Maintenance
- Maintenance of Property
 - Grounds
 - Dwelling Exterior
 - Common Area Maintenance

Amenities

- Pool
- Tennis
- Golf
- Clubhouse
- Playground
- Exercise Facility
- Equestrian Facility
- Marina/Boat Storage

Other

- Cable
- Pest Control
- Termite Control
- Fire Insurance on Property
- Common Area Insurance

D. SPECIAL ASSESSMENTS. [Select all which apply. The sections not checked shall not be a part of this Agreement.]

To the best of Seller's knowledge there is OR is not a special assessment owing to or under consideration by the Association or any Master Association. If a special assessment is owing to or under consideration by the Association or any Master Association, it is [Select all which apply. The sections not checked shall not be a part of this Agreement]:

- already passed by the Association in the estimated amount of \$ _____;
- already passed by the Master Association in the estimated amount of \$ _____;
- under consideration by the Association in the estimated amount of \$ _____; or
- under consideration by the Master Association in the estimated amount of \$ _____.

V. Seller Warranty. Seller warrants that Seller has accurately and fully disclosed all Transfer and Initiation Fees to Buyer. If any of the Transfer and Initiation Fees set forth above are either not disclosed or increased from what is initially disclosed to Buyer above, then all such increases or undisclosed Transfer and Initiation Fees shall be paid by Seller.

VI. Litigation/Violations. There is or is not any threatened or existing litigation relating to alleged construction defects in the Association in which the Association is involved.

If there is threatened or existing litigation, please summarize the same below:

Seller has or has not received any notice from the Association(s) referenced herein that Seller is in violation of any rule, regulation or covenant of the Association. If Seller has received such a notice of violation, summarize the same below and the steps Seller has taken to cure the violation.

VII. Consent of Buyer to Reveal Information to Association. Buyer hereby authorizes Closing Attorney to reveal to the Association from whom the Closing Attorney is seeking a Closing Letter the Buyer's name and any contact information the Closing Attorney has on the Buyer such as telephone numbers, e-mail addresses, etc. The Closing Attorney may rely on this authorization.

Buyer's Initials: _____

Seller's Initials: _____