

Homeowner Association Resale Certificates



A resale certificate and a copy of a community's governing documents are part of the resale package that is exchanged when you buy or sale a home. It provides transparency about the community and the financial obligations to the association.

What is it?

An HOA resale certificate gives specific information about the property and where it stands with the HOA such as financial overview of the HOA and the seller's current standing. It discloses any past-due payments, unpaid violations, pending violations, and any fees due upon closing.

What is the purpose?

It discloses the seller's standing with the HOA, lets the buyers know that the HOA is financially sound, and minimizes the financial risk for the HOA. It ensures that if the seller isn't up to date on payments, it can become the buyer's responsibility and the HOA won't be left unpaid.

How is it handled?

When the purchase contract is signed on a property located in an HOA, an ADDENDUM FOR PROPERTY SUBJECT TO MANDATORY MEMBERSHIP IN A PROPERTY OWNERS ASSOCIATION will also be filled out and signed. This addendum to the contract states what party is responsible for paying for the HOA resale package and the amount of the transfer fee the buyer agrees to pay. The title company then requests the statement from the management office. Since the HOA's property management company handles the accounts for the association, it will complete the certificate as a service to its clients. Fees vary by community, some management companies require the fee for the resale package be collected before they will process the request in which case the appropriate party will be contacted for payment information. Any remaining fees can be collected at closing.