

# HOMEOWNERS' ASSOCIATIONS

## *Understanding the Basics*

### WHAT IS AN HOA?

Often referred to as “property owners’ associations” in Texas law, these organizations are composed of property owners that make and enforce rules for the properties and residents within its jurisdiction. Property owners may be required to be members of the HOA and pay certain dues, assessments, or other fees.

HOAs are common in every state, not just in Texas, and provide a means for protecting the character, quality and value of a particular neighborhood, community or shared building. The most common types are Condominium Associations and Subdivision Associations. In both these cases, the HOA regulates and manages the shared areas, such as the gardens, parks, courtyards and parking lots, but owners retain responsibility for their individual unit. Although HOAs are not regulated by the state in Texas, they have far-reaching powers and can apply regulations on anything from lemonade stands to firearms.

### WHO MANAGES HOAs?

Effectively running a community can be a challenging. Usually, an HOA is in charge of managing the business affairs of the HOA while balancing the wants and needs of the neighborhood community. Typically, an HOA is run by a governing board, elected by the HOA members. However, these responsibilities are often more than volunteers can or want to do without professional support. When tasks become overwhelming for the volunteer board of directors, many HOAs hire an HOA management company.

### HOA MANAGEMENT CERTIFICATES

#### HOAs ARE REQUIRED TO MAINTAIN CERTAIN INFORMATION ON A “MANAGEMENT CERTIFICATE” LIKE:

- The name of the subdivision
- The name of the association
- The recording data for the subdivision
- The recording data for the declaration and any amendments to the declaration,
- The name and mailing address of the association,
- The name, mailing address, telephone number, and e-mail address of the person managing the association or the association’s designated representative,
- The website address of any website on which the association’s dedicatory instruments are available (in accordance with Section 207.006, Texas Property Code),
- The amount and description of a fee or fees charged by the association relating to a property transfer in the subdivision, and
- Other information the association considers appropriate.

#### WHERE TO FIND MANAGEMENT CERTIFICATES

As of 2022, the state of Texas requires HOAs to file a management certificate with the county clerk in the county of record where the HOA is located and also with TREC (Texas Real Estate Commission). From those filings, TREC is now required to maintain a database of all Homeowner’s Associations and the management companies. Note that not all HOAs have the same filing deadline, but TREC will be updating their database as HOAs file and all HOAs are required to file by June 1, 2022.

TREC’s Online HOA Database: [www.hoa.texas.gov](http://www.hoa.texas.gov)

# HOMEOWNERS' ASSOCIATIONS

## *Understanding the Basics*

### *Questions*

## A BUYER SHOULD ASK BEFORE BUYING IN AN HOA

### CAN YOU AFFORD IT?

HOAs are funded by member dues paid monthly, quarterly, or annually. It's important that you know the cost of the dues and when they're assessed so you can factor that amount into your budget. Also, note the rules and process regarding changing the dues.

### WHAT ARE THE RULES?

All members of an association must adhere to a set of rules known as the covenants, conditions, and restrictions (CC&Rs). These rules regulate many facets of homeownership, such as lawn maintenance, architectural design, and where you can park vehicles. Review a copy of these documents—you don't want to find out after closing that you can't store your boat in your driveway.

### WHICH AMENITIES ARE INCLUDED?

HOA dues are often used to maintain common areas and amenities, such as swimming pools and trails. These features may be selling points for you or you may not expect to take advantage of them. Understand what you'll be paying for and note that even if you don't use all the features, they could add to the property's future resale value.

### DO YOU WANT TO GET INVOLVED?

Many homeowners associations welcome new volunteers for committees or their boards of directors. These can be great ways to meet your neighbors and keep on top of issues affecting your neighborhood.

For more help learning about HOAs and deciding if a home is right for you, talk with your REALTOR®.