



# What Sellers Should Know About **HOMEOWNERS' ASSOCIATIONS (HOAs)**

Section 7 D(4) of the California Residential Purchase Agreement and Joint Escrow Instructions (RPA-CA Revised 12/15) states that a Seller shall pay HOA fees for preparing documents required to be delivered by Civil Code §4525. HOAs that are operated by a third party management company will provide these documents on the seller's behalf, for a **fee to be paid up-front by the seller before the documents will be provided to escrow**. In addition, if Section 7 D(5) of the RPA is marked for documents other than those that are required per Section 7 D(4), the additional documents will need to be ordered and in most instances will incur additional up-front fees.

**UP-FRONT FEES:** Please advise your seller, prior to entering escrow, in most instances there will be an up-front fee, charged by the HOA's management company, which **MUST** be paid **BEFORE** escrow will receive the HOA documents for delivery to the buyer. These fees are typically paid by the Seller online, via credit card, as directed by the HOA/Management Company. However, as each company has different requirements, it is best to confirm the requirements with their HOA ahead of time. **Customary up-front fees can range from \$450.00 to \$1,250.00, depending upon the management company.**

Under the Residential Purchase Agreement, unless stated otherwise, the seller has 3 days after acceptance to request and pay for HOA documents and 7 days from acceptance of the RPA to provide these documents to the buyer. In most transactions, a rush fee is required by the HOA/Management Company to provide the documents within the required time frames.

**These are not escrow charges.** These fees are paid to the HOA or Management Company to provide the contractually required HOA documents to escrow, who can then forward them on to the buyer on the seller's behalf, as required by California statute.

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