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HOA Members Reveal Their Biggest Fears

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Hands down, the biggest worry that keeps association members awake at night is their fellow homeowners' continued ability to remain current on association fees, according to HOAleader.com's informal survey of homeowners across the country.

Farrah Parker, a board member at the Don Ricardo Villas Homeowners Association in the Baldwin Hills section of Los Angeles, is typical. "As the nation tumbles into the depth of a recession, homeowners face tough financial decisions," she says. "I lie awake many nights wondering how our association will meet its basic needs. Delinquent homeowners refuse to pay association dues claiming that they must prioritize spending. While the board certainly understands that a few homeowners have lost their jobs, some owners simply don't understand the importance of contributing to the association so that we can maintain a basic standard of living. For those who consistently pay dues, they wonder why they see no improvement to the paint, pool, and spa. As more units enter foreclosure, the board has fewer resources in place for repairs and basic upgrades."

In their comments to HOAleader.com, other board members also opened up about their fears and their feelings of helplessness as other owners jeopardize their financial investment. They also sometimes offered solutions:

- "As a homeowners association board president, my number-one irrational fear is that as the economy continues to tighten for residents, payments in the forms of dues and violations will become a low priority. As a maturing association that's heading into its 13th year, there are expenses that will continue to increase, such as landscaping, irrigation, etc. With a tight budget to begin with, there's little margin to cover expenses should dues not get paid.

"By attempting to personally involve homeowners more, the hope is that they'll feel a deeper connection to their community and not be tempted to allow these bills to go unpaid."—*Joseph Maggiore, Springfield Park Homeowners Association, Phoenix, Ariz.*

- "The biggest issue we have is homeowners paying their monthly homeowners association dues on time. The current economic crisis is continuing to make it more and more difficult for homeowners to keep up with their dues. There's really not much the association can do except to assess fines and eventually place a lien on the property if owners get too far behind in paying their dues. Staying on top of this issue in a timely manner is critical to the association."—*Mike Levy, Wellington Pointe Townhome Association in Wellington, Colo.*
- "Simply, it's folks who can't pay their association fees and foreclosures. So far, fees might be late for an owner or two, but we can live with that. As for the foreclosures, we had and weathered them before this economic downturn and hopefully will be able to continue do so. I don't think we can actually do anything as it's pretty much out of our control."—*Tom Lenzo, Pasadena, Calif.*
- "I'm a longtime board member for my homeowners association, and I'm concerned we'll have greater difficulty collecting dues and perhaps have homeowners lose their homes to foreclosure. Since we're a fee-simple association, our hands are pretty well tied as far as exploring the financial stability—or instability—of our homeowners. In fact, our primary means of forcing payment of dues is a threat of foreclosure. This might not be something we'd want to pursue, considering the economy.

"We also notified our townhome owners that we'd be doing a roof replacement project in 2010 and that they should start saving for an assessment. We may have to rethink this project if the economy doesn't improve."—*Carol Hodes, Deerwood Farms Homeowners Association, Old Bridge, N.J.*

- "The slowing economy hit us hard last year with almost 20 percent of our homeowners not paying their yearly dues, but we adjusted. This year, according to my treasurer, we're being 'hit' three times as hard, and we can't adjust. Gone are the plans to clean up a huge area left full of debris by a builder—now defunct. Gone are the plans to replace decaying entrance signs from the original developer. Gone are the

plans to further beautify the entrance to the subdivision of almost 400 homes. Gone are the social gatherings at the pool complex.

And almost gone are the carefree days spent at the pool by the neighbors. This will be our last cut. Already, we're making plans to scale back the pool hours and the opening and closing dates. Will there be an outcry, and will the neighbors not understand? Probably. But what company can run in the black when almost 40 percent of its revenue stream ceases to exist?

In an effort to collect as much revenue as possible, the association has voted in a new 'payment plan' of monthly payments credited toward the yearly dues. Liens placed on homes for infractions are being reduced if the homeowner agrees to pay immediately. More aggressive collections companies are being employed in an attempt to get the old debts collected."—*Lamar Bates, Loganville, Ga.*

Likely echoing many of her counterparts' feelings, Parker says she sometimes wants to give up—but she refuses. "So many days, I want to throw in the towel and relinquish my board member duties," she says. "However, my condo represents my first major investment, and I'd like to protect my financial interests."

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