

Community Associations Copy Service

FREE content for homeowner and condominium association newsletters

A Member Service Provided by Community Associations Institute

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About this service:

Community Associations Copy Service articles are written for homeowner readers. They are provided quarterly to CAI members to copy and paste into newsletters, other documents, and community association websites. You may edit this copy to suit your circumstances. These articles are *not* copyrighted—you may use them as much as you want and in any way you wish.

This is not a newsletter; it is free copy you can add to newsletters and other information distributed to homeowners and residents in your community. For more information on any of these topics, please go to www.caionline.org.

These articles can be used to:

- Educate homeowners about common association functions and issues
- Support budget increases or board decisions
- Explain why a particular project is being undertaken
- Provide background information
- Augment other articles you have written or use as stand-alone stories

We hope you benefit from this CAI member service and welcome any [feedback you may have](#).

Topic: Finances/Foreclosure
Suggested title: Resources to Avoid Foreclosure
Words: 260

The continuing home foreclosure crisis continues to reverberate throughout the housing market and other sectors of the economy. But the real tragedy is what foreclosure—or even the threat of default—does to families and individuals who face this kind of financial upheaval. And, it’s happening everywhere. While foreclosure rates are highest in “rustbelt” states like Michigan and Ohio, no state or region is immune.

High foreclosure rates are largely the result of lenders offering mortgage loans below the prime lending rate. These “sub-prime” loans are most often provided to those with poor credit or buyers who need adjustable-rate loans to purchase homes. Mortgage defaults also can be the unfortunate result of a lost job or even a serious injury or long-term sickness that prevents breadwinners from working.

Foreclosures can also be initiated by the associations, but this is rare and most often the result of an owner refusing to pay association assessments over a period of time.

We hope none of our neighbors ever face a financial crisis leading to foreclosure, but that is wishful thinking. It can and does happen. If you or someone you know faces this kind of personal crisis, advice and information are available.

Source: <http://usasearch.gov/search?v%3aproject=firstgov-web&v:project=firstgov-web&query=foreclosure&>

For information on foreclosure and mortgage lending, check out these websites:

- Americans for Fairness in Lending: www.affil.org
- Consumer Federation of America: www.consumerfed.org
- ADORN Housing: www.acornhousing.org
- Center for Responsible Lending: www.responsiblelending.org
- FTC Fact Sheet, “Mortgage Payments Sending You Reeling? Here’s What to Do”: www.ftc.gov/bcp/edu/pubs/consumer/homes/rea04.shtm
- Neighbor Works America’s Center for foreclosure Solutions: www.nw.org/network/neighborworksProgs/foreclosuresolutions/default.asp

Topic: Finances/Assessments
Suggested title: Excuses, Excuses
Word Count: 700

Association members who pay their assessments late or not at all come up with some very interesting excuses. Here’s half a dozen of the most common, and why it’s smart not to use them.

Excuse #1: “I didn’t get what I paid for.”

“My building hasn’t been painted in five years! I’m not paying another cent until some basic maintenance gets done.”

“The power was out for three days during the storm. I’m withholding a pro-rated amount from my assessment check.”

You have a right to require the association to perform its duties, and various legal channels exist to accomplish this. Withholding assessments is not one of them. Your obligation to pay assessments has nothing to do with the association’s obligations to provide maintenance and service. If you withhold your check or pay a reduced amount, you’ll become delinquent, and that leads to late fees, and actually makes your situation worse.

Excuse #2: “You didn’t bill me.”

“I didn’t get an invoice.”

“You didn’t tell me I was behind in my payments.”

Many association governing documents neither require the association to send invoices nor provide advance notice of payments due or past due. However, associations are required to send the approved budget to each owner annually and we do just that. When the association approves and sends the budget each year to our members, it contains notice of the amount you must pay annually. If you're ever unsure about the amount or the due dates, just call the management office.

Excuse #3: “You can’t do that!”

“These people have no right to make me pay for neighborhood upkeep.”

“If they think I’m paying those outrageous late fees and interest, they’re crazy.”

Actually, the association not only has the authority, it has a duty to all owners to collect assessments. This authority is established in the governing documents and the state’s common interest ownership statutes. When you moved into a community association, you agreed to abide by those documents—and that includes paying assessments.

Excuse #4: “I never use the recreational facilities.”

“I don’t play golf, and it’s an expensive game. I shouldn’t have to pay to maintain the course.”

“I’ve never been in the fitness center, and I don’t plan to ever use it. Why can’t you pro-rate my assessments accordingly?”

Admittedly, recreational facilities are expensive to operate and—for some associations—represent a good chunk of the budget. Nevertheless, most declarations specify that even if you don’t use the association’s amenities you’re still obligated to pay for their upkeep.

Many of our residents moved into this community specifically for the recreational amenities; they’re willing to pay for them because they take full advantage of the opportunities they provide. Even if you’re not using some of the amenities, they make the community more desirable and the homes in the community more valuable. If you’re not using the facilities, perhaps you should consider whether this community is the best fit for you and your needs.

Excuse #5: “I paid in full.”

Sometimes the association receives a check that says “paid in full” in the memo section—but it isn’t. Or the check will arrive with a letter or note, stating the check is “payment in full,” or it covers all charges through a certain date. Nice try. If you still have an outstanding balance, we’re not going to cash your check. We’re going to return it to you. This will put you further behind in your payments and just cause more late fees.

Excuse #6: “The fees are too high.”

Assessments reflect the actual cost of maintaining all common elements in the community. If you owned your home outside the association, you would have to pay individually for all the same expenses your assessments cover—trash removal, water, landscaping, and so on. In fact, you're actually spending less on assessments because the association has bulk buying power, and you're getting more because the common areas provide amenities that you likely could not afford on your own.

Legitimate Reasons, not Excuses

When association members lose their jobs or become injured or ill, the association board understands that arrangements need to be worked out for paying assessments. If you have a legitimate reason for falling behind and you need to work out a payment plan, please call the manager. The board considers each situation individually, and will try to accommodate you special circumstances.

Topic: Conservation/Energy Efficiency
Suggested title: Tracking Down Air Leaks
Words: 383

Air leaks are one of the biggest saboteurs of your energy bill. They cause your heating and air conditioning units to work overtime. But, you can increase the efficient use of energy by tracking down and eliminating sources of air leaks in your home.

How to Check for Indoor Air Leaks

Close your unit as tightly as possible—shutting doors, windows, flues, anything that vents to the outside. (Leave inside doors open.) Turn on the exhaust fans in the kitchen and bathrooms. This pulls air out of the house or unit and draws outside air in through the leaks. A common way to identify air movements is to hold a lighted incense stick near a suspect area. The smallest movement of air will cause the smoke to move. Another method is to simply hold your damp hand near potential leak sites. Air movement will feel cool.

Where to Check for Air Leaks

Any place one surface joins another (even if it appears closed) is a potential place for air to move in or out of your home—for example, where floor and walls come together, such as around baseboards or carpet edges.

Small spaces don't allow much air leakage individually, but collectively they can eat up a significant amount of energy. Check all spaces where any type of opening exists such as electrical outlets and switch plates, fireplace dampers, around pipes, attic hatches, mounted air conditioners and mail slots.

Also, be sure to check caulked edges. Don't assume they're still air tight. Caulk dries over time and shrinks. Another application might be needed.

Doors and windows are in a category of their own. If they rattle or if you can see daylight around them, they leak. Fortunately, they're easy to fix with caulking or weather stripping.

Making the Fix

Weather stripping is the simplest and least expensive means to eliminate air leaks around doors. Foam insulation is a variation on caulking that is available as an aerosol spray. It's well suited for filling large gaps like the holes where pipes or wires enter your home. (Use with caution, however; it expands significantly and can be unsightly if overdone.) For just about everything else, standard caulking is all you need. Once the job is done, test again to make sure you stopped the leak completely.

Topic: Security/Safety
Suggested title: Preparing for, Recovering from Fires
Words: 258

Everyone in our community should prepare themselves for the risk of fire (not just wildfires). Drought conditions persist across the country and many of our homes are in or near woodland settings. Wildfires in California and other places across the country and single home fires remind us to be prepared.

The association urges all residents to create an emergency contact system so you have a place where you or your family members can call or log into remotely for information. Plan multiple escape routes from your home and out of the community in case one way is blocked. Make sure your insurance coverage is adequate; take a detailed inventory of your home.

There may also be simple steps you can take to make your home less vulnerable. Check with our local fire department to see what you can do. Simple things such as keeping trees and bushes far enough away from your home, ensuring shrubs near your home are regularly watered and installing dual-paned or tempered glass windows can help.

If our association ever experiences such a disaster, it will face tough times and difficult decisions just like you. It's the responsibility of the association manager and board members to make sure community standards are upheld when rebuilding, which will require adhering to the community's governing documents. We may bring in a third-party architect and attorney to help you rebuild in accordance with those documents.

Check for more tips on fire safety from the U.S. Fire Administration and other government organizations at www.usfa.dhs.gov/citizens/index.shtm and www.firesafety.gov/.

Are you ready?

Topic: Security/Safety
Suggested title: Keep Warm, but Safe
Words: 360

December, January and February are the deadliest months for home fires, according to the National Fire Protection Association (NFPA). And, heating equipment is the second leading cause of home fires and home fire deaths. That's why it's important for you and your loved ones to take extra precautions during the winter.

Thinking of buying a space heater? The NFPA recommends (and our association insists) that you make sure it carries the mark of an independent testing laboratory. Install it according to the manufacturer's instructions or have it professionally installed. If you have an electric-powered space heater, plug it into an outlet with sufficient capacity. Never use an extension cord. The association does not allow liquid-fueled space heaters.

Turn off space heaters whenever the room is unoccupied or when manufacturer's instructions say they should be turned off. Portable space heaters are easy to knock over in the dark. Turn them off when you go to bed, or at least make sure they're placed in lighted areas or out of high-traffic areas.

If you use a fireplace or wood stove, use only dry, seasoned wood to avoid the build-up of creosote, an oily deposit that easily catches fire and accounts for most chimney fires and the largest share of home-heating fires. Use only paper or kindling wood, not a flammable liquid, to start the fire. Do not use artificial logs in wood stoves.

Make sure your fireplace has a sturdy screen to prevent sparks from flying into the room. After the ashes are cool, dispose of them in a metal container, which is kept a safe distance from your home.

Make sure fuel-burning equipment is vented to the outside, that the venting is kept clear and unobstructed, and that the exit point is properly sealed around the vent. This is to make sure deadly carbon monoxide does not build up in the home

Other reminders from the National Fire Protection Association include:

- Don't use your oven to heat your home.
- Inspect all heating equipment annually, and clean as necessary.
- Test smoke alarms monthly; install a carbon monoxide alarm outside each sleeping area.

For more information, visit www.nfpa.org.

Topic: Governance/Board Duties
Suggested title: What is this Thing Called Fiduciary Duty?
Words: 250

From time to time you may hear that the board of the association operates in a fiduciary capacity for the homeowners. Or you may read about the board's fiduciary responsibility in the governing documents. Just exactly what does this mean?

Fiduciary duty simply means the board has an ethical and legal obligation to make decisions in the best interests of the entire association. That's a small explanation for a very big responsibility.

Fiduciary duty includes a duty of loyalty to the association, which means that board members should never use their position to take advantage of the association. They should never make decisions for the association that benefit themselves at the expense of the association and its members.

Fiduciary duty also includes the duty to exercise ordinary care. This means board members must perform their duties in good faith and in a manner they believe to be in the best interest of the association, with such care as an ordinary prudent person in a similar position under similar circumstances would use.

In short, boards must act in the best interests of the association and act reasonably.

Board members fulfill their fiduciary duty by:

- Developing and using a formal budgeting process
- Establishing and adhering to budgetary guidelines
- Making sure the budgeting process reflects the wishes of the association members
- Promoting understanding and acceptance of the reserve accounts among the members
- Collecting sufficient fees to adequately operate the association
- Soliciting bids and negotiating appropriate contracts
- Authorizing expenditures

Topic: Maintenance
Suggested title: Why a Maintenance Schedule is Important
Words: 220

From time to time, residents submit maintenance requests and become frustrated when something isn't attended to immediately. Part of the reason for the delay is that the association develops and follows an annual maintenance schedule, and the manager knows that next month's routine maintenance will take care of the We also use the schedule to address small unseen problems before they become noticeable.

The association schedules routine maintenance for a number of reasons.

- It eliminates unexpected replacements and breakdowns.
- It keeps costs down because repairs are not made on an emergency basis.
- It extends the lives of expensive common elements and reduces reserved funds
- It stops problems before they occur

The association works with a qualified engineer and other experts to develop the maintenance schedule. The schedule specifies when common elements will be routinely inspected, adjusted and repaired. Regularly monitoring the property eliminates surprises. We're able to catch minor problems and correct them before an expensive repair is needed. This, of course, helps control costs by extending the life of the common elements, which in turn reduces the money that must be reserved for an eventual replacement.

The maintenance schedule is a useful tool that keeps costs down and property function and appearance up. Bear with us; eventually everything will get done in the most efficient, economical way.