

jim smith

From: ROBERT A VERNETTI [Bobatden@msn.com]
Sent: Thursday, August 28, 2008 8:54 AM
To: Jim Smith
Subject: Fees Charged by HOA Management Companies

Jim;

Read you ad about the surprise at closing for the HOA management company fees for services. Right on the target. However there is a hidden flaw in the status letter and the possible added cost. The status letter may be issued that the present owner is either past due or current, but the information is flawed when the date of the letter crosses the first of the month. A person is listed not current on the 2nd day of the month when the late date is the 10th. Conversely the owner is listed as current on the 30th and then by closing the owner has not paid the current month. This has created a duplicate status letter request at duplicate fees. There is also a doubling effect when there is a master and a sub association for the property. The management company lists the fees for each type of transaction or request and then duplicates the fee when processing the request. So if the HOA thinks they have negotiated a reasonable rate, the doubling becomes a surprise at closing.

Bob