

New Real Estate Contracts Require More Info on HOA's

By JIM SMITH
Jefferson County Realtor®

The Colorado Real Estate Commission has issued a new form for the purchase of residential real estate which includes much more disclosure of homeowner association information.

In the past, the form only declared what the HOA dues were and provided for the identification and payment of any unpaid special assessments.

On the new form (which becomes mandatory on October 1st) the seller is obligated to provide the minutes of the HOA's most recent annual meeting and the minutes of the most recent six months' board meetings.

This could provide useful information to a buyer if it should be revealed, for example, that there is pending litigation for the enforcement of HOA covenants, or if the minutes reflect a contentious relationship between the board and various homeowners (including, for example, the seller).

The implications of the change are two-fold (at least): first, the buyer can terminate a contract and get his/her earnest money back if there is anything, in the subjective opinion of the buyer, which he/she does not like; and, second, there are probably going to be fees assessed by the HOA for producing this documentation which could be a burden to whichever party (probably the seller) has to pay these fees.

I would urge HOA boards to set a price right now which they will charge for producing these documents so that they are prepared in October for the first purchase contract which contains this provision. (Actually, these new contracts are available now and only become

mandatory in October.)

Other changes in the contract which are of interest include:

- ◆ An insurance objection deadline allowing the buyer to terminate if, for whatever reason, affordable homeowner's insurance can not be obtained.
- ◆ Better presentation of all inclusions and exclusions
- ◆ Identification of any secondary mortgage(s) on which the contract is contingent
- ◆ A survey objection deadline, allowing the buyer to terminate if he/she doesn't like the survey report

- ◆ Indication as to whether or not the contract is contingent on the sale of the buyer's current home.

The Commission also released a really useful 2-page "Common Interest Community Checklist" that brokers can use during their listing presentation and can attach to their other disclosures as a handy reference for buyers and their agents.

You'll find links for these and all the other new contracts and forms at www.JimSmithColumns.com. If you have any questions, you may call me at 303-525-1851.



Mortgage Update

By Jean Rowe, 303-601-4035

As the week begins, the NASDAQ and DOW are both down and bonds are down as well. Mortgage interest rates have increased slightly over the last week.

Rate update:

30 year fixed: 5.75% (5.858% APR),

P&I - \$1167.15

5/1 ARM: (fixed x 5 yrs.) 4.875% (4.858% APR), P&I - \$1058.42

5/1 Interest-only ARM: (Interest-only for 5 years) 5.125% (4.947% APR), P&I - \$854.17!

For a free individualized quote, call me at 303-601-4035.

This Week's Featured Listing

Great Home Backs to Golf Course



This house is located in a 16-home gated community near County Line Road & Holly Street. Although you'd guess from the photo that it's a 1½-story home, it's really a ranch with incredible vaulted ceilings. The finished walk-out basement has

two extra bedrooms and a huge family room with wet bar. Features include granite counters, extensive marble, four fireplaces, and a 3-car garage! And it backs to a golf course! See the panoramic mountain view and other features of this home at www.8207SForestCt.com.



Offered Exclusively By:

Jim Smith

303-525-1851

www.JeffcoHomes.info



Buy or Sell With Jim Smith, And Get Free Use of His Big Moving Truck—See Website for Details!