

# Title Minute

Homestead Title and Escrow



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## **HOA CIC Documents**

When a property goes under contract and is submitted to the title company, the contract deadlines are looked at immediately upon submission by the escrow team. One of the earliest deadlines to adhere to is the CIC Documents deadline (Common Interest Community) governing documents. Adequate time needs to be allowed to retrieve these documents to avoid “rush fees” to the seller. Homeowner’s Associations and management companies only process these requests Monday through Friday, so in considering the turn time, the weekend days cannot be counted. To avoid rush fees, it’s best to select 10 business days. Rush fees are not charged by the title company. This is a procurement charge by the Homeowner’s Association. Some associations are now bundling the status letter & CIC documents so that they cannot be retrieved separately to avoid charges.

The association documents contain the regulations, rules and terms by which the homeowner/seller in that community are bound by. If the property under contract is part of a Homeowners Association (HOA), the buyer will become bound by those same rules and regulations after purchase/transfer of title. The seller has a contractual obligation to provide the association documents for the buyer to review prior to that time.

The documents typically provided to the buyer include articles of incorporation, bylaws, declarations, party wall agreements, operating agreements, rules and regulations (covenants, conditions and restrictions-also called CC&Rs for short), responsible governance policies, annual owner/member/director minutes, executive board minutes, insurance policies, assessments by unit type, operating budget, annual balance sheet, annual income statement, reserves, audits/reviews, list of fees and charges, unpaid assessments notices, reserves studies, construction defect actions, and more.

**The title commitment will disclose the CC&Rs as well on the B2 Exceptions page of the title commitment. It’s important for a buyer to review and understand these exceptions from their title insurance coverage.**