

HOMEOWNERS ASSOCIATIONS:

WHAT YOU NEED TO KNOW BEFORE YOU BUY

A homeowners association (HOA) is a subdivision organization that creates and enforces rules relating to properties within its control. When you purchase a property in a subdivision with an HOA, you often automatically become a member of the HOA. Depending on the HOA, you may or may not be required to regularly pay HOA fees.

HOAs can regulate the use of the subdivision properties, and HOAs can have a great impact on your rights as a property owner. The rules and regulations of HOAs are often included in covenants, conditions and restrictions (typically referred to as the “CC&R”) as well as subdivision covenants or deed restrictions.

Some examples of the property features and uses subject to HOA rules and regulations include:

- Fence material, height and the distance a fence may be from the property line.
- The type of material that can or cannot be placed on a property, for example, vinyl siding or wood roof shingles.
- The colors of buildings and the type of landscaping.
- The percentage of the front of the home that must include a certain type of stone or brick.
- The type of mailbox.
- The type of vehicles that can be in the driveway, stored on the property, or in the street and for how long.
- The types of accessory structures.

HOAs often can assess fees when rules are violated by those regulated by the rules. In addition, HOAs can charge periodic assessments, charge a fee when a subdivision property is sold

or purchased, charge for providing documents, and charge for furnishing payoff statements.

Before purchasing a property subject to an HOA, you should verify the rules and regulations regarding any use, repair, improvement, structure or remodeling you may desire after purchasing the property, if material, and become familiar with the fees and assessments the HOA has the power to charge.

HOAs must record their rules and regulations with the county register of deeds, and if the HOA has a website, the rules and regulations generally must be posted on the HOA website.

Additionally, the law requires the HOA to register with the Wisconsin Department of Financial Institutions (DFI) on a public notice form created by the DFI and provide contact information for the HOA, including:

- Name and mailing address of the association and name as well as the mailing address of any management company for the HOA, if applicable.
- Name of the county and the city, village or town in which the HOA is located.
- Name, mailing address, and email address or daytime telephone number for an individual who is authorized to respond on behalf of the HOA.
- The HOA website address, if applicable.

The public notices shall be available at www.wdfi.org/apps/HomeOwnersAssociation/Search and will enable the buyer to obtain the applicable rules and regulations for the HOA. Copies of the rules and regulations are not located on the DFI website.