



OAKWOOD ESCROW.

PROTECTION • TRUST • NEUTRALITY

## **HOA Assessments (Dues) vs. HOA Special Assessments**

Typically, during the course of an escrow when there is a Homeowners Association (commonly referred to as "HOA") involved, it is a function of escrow to order the HOA document package and the HOA statement. The HOA statement will provide, among other information, the amount of the regular HOA assessments (also known as HOA dues), and then indicate if they are paid monthly, quarterly, semi-annually or yearly. Regular HOA assessments are routinely prorated between Buyer and Seller at Close of Escrow. HOA assessments should not be confused with a "special assessment".

A special assessment is a separate, additional charge against the property. Unlike regular HOA assessments, many HOA's will not allow HOA special assessments to be assumed, but rather require them to be paid by the Seller at the time of closing. Escrow shall follow the terms of Paragraph 17 (Prorations) in the California Residential Purchase Agreement and Joint Escrow Instructions which states:

Unless otherwise agreed in writing, the followings items shall be paid current and prorated between Buyer and Seller as of Close of Escrow: real property taxes and assessments, interest, rents, HOA regular, special and emergency dues and assessments imposed prior to Close of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due.