Could Your HOA's Finances Affect Your Home Sale?

An HOA Financial Health Checklist for Homeowners and Board Members

Why this matters: For some HOA and condominium purchases, a buyer's lender may review the association's finances, insurance, reserves, and major obligations. Organized records and responsible planning can help support a smoother sale and closing.

HOA Financial Health Checklist

Check each item you can confirm. Leave uncertain items open and use the questions on page 2 to learn more.

DONE	WHAT TO REVIEW
☐	**1. Current annual budget** The association has an approved, realistic budget that accounts for routine operations and expected expenses.
☐	**2. Up-to-date financial statements** Income, expenses, bank balances, and other financial records are organized and available when properly requested.
☐	**3. Healthy reserve funds** Money is being set aside for future major repairs and replacements—not only day-to-day operating costs.
☐	**4. Reserve study or long-term repair plan** The association has evaluated major components, anticipated replacement timelines, and estimated costs.
☐	**5. Current and adequate insurance** Required property, liability, and other applicable policies are active and reviewed regularly.
☐	**6. Documented major repairs** Known structural, safety, maintenance, and replacement projects are tracked with plans, estimates, or completed-work records.
☐	**7. Clearly communicated special assessments** Existing or proposed assessments are documented, explained, and reflected accurately in association records.
☐	**8. Assessment delinquencies are addressed** The association consistently follows its collection policy and monitors unpaid homeowner balances.
☐	**9. Organized governing documents and minutes** Declarations, bylaws, rules, amendments, budgets, and approved meeting minutes can be located promptly.
☐	**10. Timely lender questionnaire process** The association knows who handles lender or resale requests and can provide accurate responses within a reasonable timeframe.
☐	**11. Pending claims or litigation are documented** Known lawsuits, insurance claims, or significant disputes are tracked and disclosed as legally required.
☐	**12. A clear contact for resale requests** Homeowners, agents, title companies, and lenders know where to send authorized document and questionnaire requests.

Questions Homeowners Can Ask

You do not need to be an accountant to ask useful questions about your association’s preparedness.

1	When was the association’s most recent reserve study or long-term capital plan completed?
2	Are the association’s insurance policies current, and when were coverage limits last reviewed?
3	Are any major repairs, special assessments, insurance claims, or lawsuits pending?
4	How does the association handle delinquent assessments?
5	Who completes lender questionnaires and provides resale documents?
6	How much time should a homeowner allow for documents before listing or closing?

Before You List Your Home

- ☐ Ask early how to request association documents and lender questionnaires.
- ☐ Tell your real estate agent about known assessments, major projects, or association requirements.
- ☐ Allow extra time for third-party requests, signatures, payments, and document review.
- ☐ Keep copies of the records you receive and confirm that information is current.

STRONG MANAGEMENT SUPPORTS A STRONGER COMMUNITY

HLC Property Management helps associations maintain organized records, clear homeowner communication, responsible financial processes, and long-term planning.

Educational resource only. Lending, insurance, legal, and disclosure requirements vary by association, property type, loan program, and transaction.