

HOMEOWNERS ASSOCIATIONS

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A cure, not a disease

SUSAN NORRIS, GILBERT

Let me be clear, Senate Bill 1330 would not have been a disease that would have attacked the heart of every homeowner association in Arizona. Instead, it would have been a partial remedy to an illness born of an unregulated HOA industry plagued with disputes, corruption, greedy attorneys and unlicensed management companies.

The fact is, SB1330 would have taken away some of the awesome power of a volunteer HOA board, namely the power that they have to take the roof over your head for a debt as small as \$300.

What people opposed to this bill don't want you to know is that if this measure ever becomes law, the HOA would still be able to place a lien against your home and they would still be able to take you to court, but they just would no longer be able to take all the equity in your home and kick you out on the street with nothing. Why is that so bad?

Who is fighting to stop this bill? No surprise, the attorneys who profit from this industry, along with the property management companies who claim it will be too hard to collect unpaid assessments if homeowners are given back their homestead exemption protection.

If that's true, then why is it that credit card companies can't take your home for a debt as small as \$300, and how in the world do they stay afloat without taking our homes away when we are late with a credit card payment? Must be a miracle.

I've witnessed enough abuse in HOAs to last a lifetime and I've learned over the years that too much power corrupts even the nicest of folks.

Fees would still be collected

RAUNI ARMBRUSTER, PHOENIX

There is no statistical evidence that suggests HOAs improve property values. Ray Torres' terror stricken statement that "SB1330 is a disease attacking the heart" (Letters, Saturday) is an anxiety attack and nothing more. There is nothing in SB1330 that absolves the homeowner's obligation to pay their assessments. There is nothing that prevents the HOA from using normal collection procedures like any other corporation to collect what is owed.

Most governing documents in planned communities have the clause, "unpaid assessments may be foreclosed in the same manner as a mortgage." Mortgage lenders have to pay all junior liens if they foreclose (A.R.S. 33-727). HOAs have had the special privilege of being prioritized above second mortgages.

Lenders have to sell the foreclosed properties for fair market value, and homeowners have the right to an expedited hearing to determine fair market value (A.R.S. 12-1566). HOAs again have been privileged above lenders in that they only sell the properties for an amount that covers their debt and any senior liens. Lenders are required to return any excess sale money to the homeowner after all costs and liens are paid. The HOA has not had to return anything to the homeowner. The homeowner forfeits all equity.

HOAs have enjoyed privilege and power well beyond any other corporation in our state. Their residents have lost equal protection under the law as a result.