HOA might help in tight spot

By Amanda Shaw
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Arizonans have spent the last three years digging out of a deep recession and from what we're seeing in the residential communities we manage, the worst may not be over.

New data from CoreLogic backs up this observation. More than half of the state's homeowners are underwater on their mortgages, according to CoreLogic's latest negative equity report.

The good news is that Arizona's rate of negative equity has actually dropped since last year. The bad news: The drop is attributed to more homeowners losing their houses to foreclosure.

By now, most everyone has heard the familiar advice about what cash-strapped individuals should do when they find themselves in over their heads with home mortgage payments or credit-card bills. They're encouraged to talk to the lender or credit-card companies and try to work out a payment plan.

But, most people don't realize this counsel also holds true for homeowners associations and community management companies. In most cases, HOAs are eager to work out payment options with homeowners, operating under the belief that some money coming in is better than no money at all.

HOAs are non-profit corporations that use income from homeowners' dues to pay for everything from common area upkeep to private streets and street lighting, depending on the community and the terms laid out in its governing documents.

If you are facing foreclosure on your home, or are struggling financially, here are two simple things you can do:

» First, understand that as a member of an HOA, you are still responsible for paying your assessment fees, even if you move out of the home. You are obligated to make payments until the transfer of the home's title.

» Second, pick up the phone and call your HOA or community management company. Ask for help.

We aren't here to judge. We're all on the same team.

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