



An invaluable HOA information resource for residential builders and developers

Industry *insider*

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A MESSAGE FROM OUR PRESIDENT



AMANDA SHAW
President of AAM

Indicated Actuals

We know how important it is these days to keep even better track of where an Association is spending its money and how much it plans to spend in the future. At your request, our staff of budget and financial analysts, along with our staff accountants, can provide you with what we call “indicated actuals.”

An “indicated actual” income statement will reflect actual income and expense through the most recent previous month end, with updated forecasts for the remaining months in the fiscal year. The remaining months’ forecasts may be the same or very close to budget, but given there can also be some significant swings due to the results from bidding out services, incorporating unbudgeted services or due to delays in

common area install or other services, it is a good idea to see a new forecast so that subsidies or other obligations can be better projected for your internal purposes.

We want to do all we can to help you with your financial reporting needs. Providing “indicated actual” income statements on a regular basis may be just the information you’ve been looking for. To request this information for the communities we manage for you, please contact Lynn Rivers, AAM Budget Analyst, at lrivers@AAMAZ.com or at 602-288-2671. Lynn can assist with any questions you may have regarding this or any of the other financial information we are currently providing to you.

Cornerstones of the Business



Kathy Johnson and Carla Helmstadter are two familiar faces around AAM who have served clients well over the years from a variety of different roles. Now they can add one more job title to their lists: Vice President.

Johnson and Helmstadter recently were promoted to Vice President of West Valley Operations and Vice President of East Valley Operations, respectively.



Johnson started stuffing envelopes at AAM in 1999 as an on-staff temp and never left. She says she has done nearly every job at the company, including filling in for vacationing accounting staffers and the receptionist during her early days at AAM. She also has served as an assistant community manager, community manager, area manager and most recently regional director.

Under her new title, she will continue overseeing the operations of AAM’s properties in the West Valley, where she lives with her husband and two teenagers. Johnson holds the CMCA and AMS professional designations from the Community Association Institute (CAI) and also is an active member of the Arizona Association of Community Managers (AACM) Education Committee.

Meanwhile, Helmstadter, who joined AAM in 2005 as a community manager, will continue to supervise the company’s East Valley operations as an extension of her former role of regional manager, a position she’s held for the last four years. Twenty portfolio managers work out of the East Valley office, along with seven on-site community managers who have staff at East Valley communities including the Villages at Rancho El Dorado, the Villages at Queen Creek, Seville and Solera at Johnson Ranch.

Helmstadter, a Power Ranch resident, is a 10-year veteran of the HOA management industry and holds the CAAM professional designation

TEAM SPOTLIGHT

KATHY JOHNSON

CARLA HELMSTADTER

News You Can Use: **NEW FHA CONDO GUIDELINES**

New FHA mortgage insurance guidelines may provide an additional challenge for condominium developers hoping to move units in a tough economy, according to industry experts.

According to the new rules – which tighten FHA loan standards and pressure buyers into trying to qualify for harder-to-get non-FHA loans:

- No more than 15 percent of a development’s total units can be delinquent more than 30 days in paying their assessments
- At least 50 percent of the units must be owner-occupied or sold to owners who intend to occupy

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Did You Know: FOOD DRIVE UPDATE

Did you know that AAM has already collected nearly 5,000 cans of food in just the first quarter of its 20-month-long 20th Anniversary celebration?

Yes, employees have enthusiastically tackled the challenge to restock Valley food pantries, and to date have raised the following support for local organizations:


- 2,568 cans of food for St. Mary's Food Bank
- \$1,042 in cash for St. Mary's Food Bank
- 2,450 cans of food for F.O.R. Maricopa Food Bank
- \$3,408 in cash for F.O.R. Maricopa Food Bank


In addition to the fundraisers and food drives, AAM recently made its first quarterly contribution: \$5,000 to St. Mary's Food Bank. AAM has


pledged to donate \$5,000 each quarter to a Valley food bank, while employees from a different department each month invent new and creative ways to raise food and additional support.

"It feels really good to make a meaningful contribution to the organizations in our community that positively affect so many lives," said Laura Ziff, AAM founder and CEO.




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News You Can Use continued

- At least 50 percent of the total units in a new development must be pre-sold prior to FHA endorsement of any mortgage on any unit. This isn't effective until January 1, 2011. At this time, it is 30 percent
- No more than 10 percent of the units may be owned by one investor, including developers/builders renting vacant and unsold units
- For condominiums of four or more units, the FHA will insure mortgages of no more than 30 percent of the total units. Again, this isn't effective until January 1, 2011. At this time, FHA has temporarily increased its concentration limits to 50 percent.

Although state and federal laws do not demand the Association comply with the national lender's new requirements, some experts argue that Board members have a duty to "do whatever it takes" to preserve value. Those who choose to ignore the changes risk angering buyers, sellers and real estate agents, and may force the community into developing a "cash only" policy for future sales/purchases.

Condo developers and Boards should consciously choose whether they will participate in the new guidelines, and discuss the pros and cons of each side with Association members. Note: these changes apply only to homes in condominium communities, not those in master-planned communities.

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