

# Homeowner Associations:

A **homeowner association** (abbrev. **HOA**) is an organization created by a real estate developer for the purpose of controlling the appearance and managing any common-area assets during the marketing, managing, and selling of homes and sites in a residential subdivision. It grants the developer privileged voting rights in governing the association, while allowing the developer to exit financial and legal responsibility of the organization, typically by transferring ownership of the association to the homeowners after selling off a predetermined number of lots. It allows a civil municipality to increase its tax base, but without requiring it to provide equal services to all of its citizens. Membership in the homeowners association by a residential buyer is typically a condition of purchase; a buyer isn't given an option to reject it. Some homeowner associations hire and retain property management companies. The board of directors is responsible for the retention of these companies.

Most homeowner associations are incorporated, and are subject to state statutes that govern non-profit corporations and homeowner associations. State oversight of homeowner associations is minimal, and mainly takes the form of laws which are inconsistent from state to state. Some states, such as Florida and California, have a large body of homeowner association law, and some states, such as Massachusetts, have virtually no homeowner association law.

The fastest growing form of housing in the United States today is common-interest developments (CIDs), a category that includes planned-unit developments of single-family homes, condominiums, and cooperative apartments.<sup>[1]</sup> Since 1964, homeowner associations have become increasingly common in the USA. The Community Associations Institute trade association estimated that HOAs governed 23 million American homes and 57 million residents in 2006.