

By state law, an HOA management company such as Select Management does not have the authority and cannot foreclose on any homeowner. A community association derives its legal obligations from federal, state, and local statutes and from the unique documents that bind the association and its owners. These documents are recorded in the County records by the developer prior to any real estate being sold. Once the majority of homes in a development have been purchased, the control and responsibilities for an association are transferred from the developer to the persons who bought homes in the community association. The Board of Directors that oversee the day to day operation of any homeowner association is made up of volunteers of the community who are elected by the owners in that community at the annual meeting of owners.

Owner's who choose to belong to mandatory Association's are dictated by the governing documents of the Association which the owner signs and agrees to when a home is purchased. In September of 1999, a consumer protection law was passed which entitles homeowners to be informed that they are buying a home in an association and how it binds the owner to the association.

The Board members elected in an Association are bound by certain fiduciary duties including setting an annual budget and ensuring proper funds exist to adequately maintain the community's assets. Assets can include community pools, club houses, fitness centers, gated access control, golf courses, etc.

Per the authority of the governing documents, a series of steps, are taken to collect assessments from all owners belonging to the association up to and including placing liens and possibly foreclosure of the property. Many times when payments go unpaid, accounts are turned over to the association's attorney. The legal counsel act on behalf of the association and pursue collections based on the policy in place.