

Homeowner association bills signed by governor

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SACRAMENTO - Prospective

buyers eyeing homes in California's 37,000 private communities won new help Friday in getting clearer pictures of what they're getting into financially.

Gov. Schwarzenegger, responding to complaints from real estate agents, signed legislation requiring homeowners associations to better explain the true costs of living there.

The California Association of Realtors sponsored the bill, saying too many buyers are complaining of unexpected increases in their monthly or yearly assessments soon after moving in.

The bill makes associations specifically list for potential buyers the amounts of monthly dues and precise amounts that dues must rise to maintain the community.

Backers said the bill will help buyers in the private neighborhoods that represent 60% of California's new housing determine if they can afford both a mortgage and monthly dues that may rise in years ahead.

Many Californians pay between \$100 and \$200 a month in assessments that maintain streets, buildings and landscaping held in common by all the residents.

The law, which goes into effect Jan. 1, comes as thousands of aging associations face prospects of higher dues for maintenance and repairs. The new law also makes associations notify residents before steering reserve funds for physical upgrades and repairs to other uses.

The governor also signed legislation expanding the rights of associations and residents to mediate their differences instead of going to court or hiring an arbitrator.

Schwarzenegger still has not taken a position on another homeowner association bill that would ban private communities from foreclosing on members' homes over unpaid debts of less than \$2,500.