



Overview

POA vs HOA

May 1, 2021

Overview of POA vs HOA

The overall goal in instituting these changes is to maintain and increase our property values. Please take the time to do your research prior to consent forms being provided to all homeowners.

For a more detailed review of what a POA is please follow the link below:

<https://www.luederlaw.com/the-reasons-why-a-community-should-adopt-the-georgia-property-owners-association-act/>

Key Differences to Note:

- Automatic Liens – cost reduction by not paying lawyer fees
- Joint Liability – seller and buyer are jointly liable to pay assessments, holding them liable at closing to cover cost
- Late Fees & Interest – reduction of interest of 18% to 10% on unpaid balances

Additional Amendments:

- Leasing Restriction - limit the number of rentals available to 5% of total homes. Homes currently leased would be grandfathered in until property is sold
- Initiation Fee - new owner pays fee equal to dues at closing

Four Key Sections

Here is a simplification of the four sections that would be different than in our current covenants:

1. Automatic Liens – The association would no longer have to file liens. The association would automatically receive funds (past due assessments) if an owner files for bankruptcy.
2. Joint Liability – The buyer and seller of a property are jointly liable to pay all assessments owed to the association when a home sells.
3. Late Fees and Interest - This would change the interest rate on late fees and interest on unpaid assessments from 18% to 10% thereby lessening the amount due from homeowners who may already be struggling to pay.
4. Foreclosures – This is complicated, and we would suggest you read the article for explanation. In short, this would force severely delinquent homeowners to foreclose their property in order to gain a homeowner who will be able to pay their assessments.

Two Amendments

In addition, the board is seeking to add two further amendments:

1. Capital Contribution Assessments (Initiation Fee) – Upon the sale of a home, the new homeowner would be required to pay the current amount of assessments to the association.
2. Leasing Restriction - to limit the number of homes that are available for leasing. The cap for this would be 5% and again would not affect any of the homes that are currently being leased as they would be a “grandfathered owner”.

The overall goal in instituting these amendments is to not only maintain our property values, but to increase them. Consent forms and voting information will be mailed soon. If you have any questions, please submit them to AMAG so they may be addressed. POA and amendment information can be found on our website:

www.myhighlandoaks.com

Note: The Leasing Amendment cannot be instituted without the POA amendment

Next Steps for you – the homeowner

Need to know more information? The link below can provide you with more detailed information, so do your research.

<https://www.luederlaw.com/the-reasons-why-a-community-should-adopt-the-georgia-property-owners-association-act/>

Once you receive your consent form, **PLEASE RESPOND**. All homeowners who have not responded will be contacted directly. Making these changes requires 2/3 of our homeowners to vote in favor.

RETURN your form: You may print and mail your Consent Form to AMAG at: P.O.Box 491537, Lawrenceville, GA 30049 or faxing to 678-407-1125 or email a printed and signed picture of your form to admin@associationmgt.com.