

MAXIMUM ALLOWABLE PREPARATION FEES

Disclosure Packets for Non-Professionally Managed Property Owners' Associations

Includes Fees Updated January 12, 2023

Virginia law requires that when selling a home in a property owners' association (POA), the owner must provide a potential purchaser with certain legally required information regarding the home, common areas, and the association. The [Property Owners' Association Act](#) (POA Act) calls the legally required information a **disclosure packet**. The packet must be requested by the seller, prepared by the POA, and delivered to the potential purchaser.

Compiling the required documents involves time, effort, and resources, so the law allows the preparer to assess **reasonable fees**, but sets a maximum amount for such fees.

The POA Act distinguishes between communities that are "professionally managed" and those run by volunteer member-owners. "Professionally managed" means a common interest community that has engaged (i) a common interest community manager to provide management services to the community or (ii) a person as an employee for compensation to provide management services to the community, other than a resident of the community who provides bookkeeping, billing, or recordkeeping services for that community. (See [§ 55.1-1800](#) in the POA Act)

POAs that are **not** professionally managed may charge fees as established in [§ 55.1-1811](#) of the POA Act. (See adjacent table.)

NOTE: A non-professionally managed POA may not collect fees authorized by § 55.1-1811 of the POA Act unless the association is (i) registered with the Common Interest Community Board (CIC Board), (ii) current in filing its most recent annual report and fee pursuant to § 55.1-1835, and (iii) current in paying any assessment made by the CIC Board pursuant § 54.1-2354.4.

- See page two of this form for more information on association registration.

PREPARERS of DISCLOSURE PACKETS FOR POAs that are **NOT PROFESSIONALLY MANAGED*** are allowed to charge **no more than the following maximum fees** for *only* the following tasks:

Actual cost for preparation and issuance of disclosure packet <u>not to exceed</u> \$.10 per page of copying costs, or \$100.00 for all costs incurred.
\$50.00 for an additional fee to expedite the inspection, preparation, and delivery of the disclosure packet (if completed within five business days of the request)—with the consent of the association (<i>optional</i> at request of seller/agent).
\$25.00 for an additional hard copy of the disclosure packet—with the consent of the association (<i>optional</i> at request of seller/agent).
Actual cost for third-party commercial delivery service to hand-deliver or overnight the disclosure packet—with the consent of the association (<i>optional</i> at request of seller/agent).
\$50.00 for an update to the disclosure packet—at request of person authorized by seller/agent (<i>collected at time of delivery of update</i>).
\$50.00 for a financial update—at request of settlement agent (<i>collected at time of delivery of update</i>).
\$50.00 for additional inspection of the dwelling unit exterior and lot <i>if authorized</i> by the association declaration (<i>optional</i> at request of purchaser/agent).

Pursuant to § 55.1-1811(C) of the POA Act, fees (except fees for updates noted above) shall be collected **at the time of delivery** of the disclosure packet. If unpaid, any such fees shall be an assessment against the lot and collectible as any other assessment in accordance with the provisions of the declaration and § 55.1-1833. The seller may pay the association by cash, check, certified funds, or credit card, if credit card payment is an option offered by the association.

*POAs that are not professionally managed may charge certain fees for inspection, preparation, and other services as set out in § 55.1-1810, provided the association provides the disclosure packet electronically, if requested, and otherwise complies with § 55.1-1810. (See page two of this form.)

Preparers for non-professionally managed POAs are allowed to charge **no more than the following maximum fees** for *only* the following tasks *and only if* they provide the disclosure packet electronically, if requested, and otherwise comply with [§ 55.1-1810](#):

\$141.31 for inspection of the exterior of the dwelling unit and lot <i>if authorized in the declaration</i> and as necessary to <u>prepare</u> the disclosure packet.
\$176.64 total for preparation and delivery of the disclosure packet in electronic form . Only one fee shall be charged for preparation and delivery of the disclosure packet.
\$70.66 for an additional fee to expedite the inspection, preparation, and delivery of the packet (if completed within five business days of the request)—but only if the preparer agrees to do so (<i>optional</i> at request of seller/agent).
\$35.33 for an additional hard copy of the packet (<i>optional</i> at request of seller/agent).
Actual cost for third-party commercial delivery service to hand-deliver or overnight the packet (<i>optional</i> at request of seller/agent).
\$70.66 post-closing fee charged to the purchaser to update ownership records of the association.
\$70.66 for pre-settlement updates to the packet.
\$141.31 for additional inspection of the exterior of the dwelling unit and lot <i>if authorized by the association declaration</i> (<i>optional</i> at request of purchaser/agent).

Pursuant to § 55.1-1810(D) of the POA Act, fees shall be collected **at the time of settlement** on the sale of the lot and shall be due and payable out of the settlement proceeds. Neither the association nor its common interest community manager shall require cash, check, certified funds, or credit card payments at the time the request is made for the association disclosure packet.

What to do if your POA is not registered/ not current in filing with the CIC Board.

If your POA is not registered with the CIC Board, or is not current in filing an annual report to the CIC Board, then your POA is prohibited from collecting fees authorized by §§ [55.1-1810](#) and [55.1-1811](#) of the POA Act.

To verify if your POA is registered with the CIC Board, or to verify your POA’s current registration status, use the [License Lookup](#) feature on the website for the Department of Professional and Occupational Regulation (<http://www.dpor.virginia.gov>). You may also contact the CIC Board office.

To register a POA, or to file an annual report, your POA must submit a completed registration or annual report application, along with the required application fees and payments.

The application is available on the CIC Board website (<http://www.dpor.virginia.gov/Boards/CIC-Board/>).

Your POA will also be required to certify that it has adopted, or will adopt, an association complaint procedure as required by [§ 54.1-2354.4](#) and the [Common Interest Community Ombudsman Regulations](#).

Please be advised that receipt of an application and the deposit of fees/payments by the CIC Board do not indicate CIC Board approval of the application.

For additional information, contact the CIC Board office by email at cic@dpor.virginia.gov or by telephone at 804-367-8510.