CENTRAL JERSEY HOUSING RESOURCE CENTER (CJHRC)
501(c)(3) non-profit organization & HUD Agency

Jennifer Laterra, President | Sharon Clark, Executive Director

STATE ON NJ AFFORDABLE HOUSING & HOMEOWNER/HOA FEES

If you are an owner of affordable housing and purchased in a complex with Homeowner Association (HOA) Fees, it is strongly advised to always keep up with your bylaws and rules. CJHRC does not have this information.

CAN MY HOA FEES INCREASE: Yes. When many affordable units were originally sold in the early 1990's, the rules/regulations were different. At that time, municipalities were permitted to establish a 30-year affordability control period, during which affordable units could be charged lower HOA fees. Effective December 20, 2004, the regulations were amended to prohibit any distinction in the HOA assessments between affordable and market rate units. However, the affordable units built before 2004, usually have a 30-year time period to expire before the HOA fees can increase to the same HOA as non-affordable units. Some HOA fees are gradually being increased to match those of comparable market rate units.

CAN I GET A BIG INCREASE? Yes. A homeowner of an affordable housing unit can incur increases (which is allowed). Affordable homeowners should never pay more than the market rate unit owners.

IS MY AFFORDALE UNIT STILL IN THE PROGRAM AND RESTRICTED IF MY HOA FEES GO TO MARKET RATE? Yes. Many affordable homeowners tell us friends, family, neighbors, even the HOA may tell you incorrect information. In most cases when the HOA fees increase the unit remains in the affordable program. Only the administrative agent or the municipal official responsible for administering the affordable housing program can determine whether a unit is no longer affordable. If someone official advises you that it is no longer affordable, we strongly suggest you get this in writing and keep the document (on official letterhead) someplace safe.

CAN I GET A SPECIAL ASSESSMENT: Yes. A special assessment is used when an HOA's expenses exceed its budget. This can happen if the community experiences more snowfall than anticipated, causing snow removal costs to exceed the budget, or if unexpected major expenses arise, such as tree removal, deck repairs or replacement (if maintained by the HOA), or other costly maintenance of common property. **Make sure to ask the HOA if any special assessments are existing or planned in the near future. The Administrative Agents/CJHRC would not know about this.**

CJHRC strongly advises that all homeowners, should attend HOA meetings, be active and learn about possible changes not only regarding HOA fees but other expenses/issues.

Central Jersey Housing Resource Center Corp. (CJHRC) has no control or the ability to modify or change HOA fees. CJHRC cannot provide any other information about HOA fees.

Important to know- Non Payment of HOA fees can lead to Liens and Foreclosure- see other side

92 E. Main St. Suite 407, Somerville, NJ 08876
E-mail: 2cjhrc@gmail.com
Phone: (908) 446-0036
www.cjhrc.org
Facebook: Central Jersey Housing Resource Center
Instagram: @cjhrc_housing

EQUAL HOUSING OPPORTUNITY

IMPORTANT TO KNOW – HOMEOWNER ASSOCIATION FEES – (HOA FEES)

NJ HOA Fee Foreclosure Summary

- **Active Filings:** NJ HOAs legally foreclose on homes for unpaid dues.
- **Legal Authority:** NJ Condominium Act grants HOAs property lien powers.
- **Rising Trend:** Rising costs drive HOAs to pursue aggressive collections.

The 4-Step Foreclosure Process

1. Notice ➔ 2. ADR Offer ➔ 3. Property Lien ➔ 4. Court Lawsuit

- **1. Notice:** HOA sends a formal letter demanding past-due amounts.
- **2. ADR Offer:** NJ law requires offering Alternative Dispute Resolution first.
- **3. Property Lien:** HOA records a lien, blocking home sale/refinancing.
- **4. Court Lawsuit:** HOA sues in state court for a sheriff's auction.

Key Financial Risks

- **Snowball Effect:** Penalties and interest turn small dues into thousands.
- **Attorney Fees:** Homeowners must usually pay the HOA’s legal bills.
- **Super Liens:** HOAs collect 6 months of dues before mortgage banks.

Immediate Action Steps

- **Request Ledger:** Ask the manager for an itemized charge breakdown.
- **Negotiate Early:** Request a payment plan before attorneys get involved.
- **Seek Legal Aid:** Consult local resources if a lien is already filed.