

# MAXIMUM ALLOWABLE PREPARATION FEES

Disclosure Packets for Professionally Managed Property Owners' Associations

Includes Fees Updated January 16, 2018 + Law Changes Effective October 1, 2019

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** professionally managed may charge fees as established in [§ 55.1-1810](#) of the POA Act. (See adjacent table.)

**NOTE:** No professionally managed POA may collect fees authorized by § 55.1-1810 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, (iii) current in paying any assessment made by the CIC Board pursuant to § 54.1-2354.5; and (iv) provides the disclosure packet electronically if so requested by the seller or seller's authorized agent.

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

**PREPARERS** of DISCLOSURE PACKETS FOR PROFESSIONALLY MANAGED POAs are allowed to charge **no more than the following maximum fees** for *only* the following tasks:

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| <b>\$117.37</b> for <b>inspection</b> 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.  |
| <b>\$176.05</b> for <b>preparation and delivery</b> of the disclosure packet in <b>paper form (for no more than two copies)</b> <b>OR \$146.71 total</b> in <b>electronic form</b> . Only one fee shall be charged for preparation and delivery of the disclosure packet. |
| <b>\$58.69</b> for an additional fee to <b>expedite</b> 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).           |
| <b>\$29.34</b> for an <b>additional hard copy</b> of the packet ( <i>optional</i> at request of seller/agent).  |
| <b>Actual cost</b> for third-party commercial delivery service to <b>hand-deliver or overnight</b> the packet ( <i>optional</i> at request of seller/agent).  |
| <b>\$58.69 post-closing fee</b> charged to the purchaser to update ownership records of the association.  |
| <b>\$58.69</b> for pre-settlement <b>updates</b> to the packet.   |
| <b>\$117.37</b> for <b>additional inspection</b> of the exterior of the dwelling unit and lot <i>if authorized</i> by the association declaration ( <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.

To account for inflation, the law automatically adjusts the maximum fees applicable to professionally managed POAs every five years, based on the U.S. Average Consumer Price Index (CPI). The General Assembly established the initial cap amounts in 2008. **The current fees (displayed in bold) are effective as of January 16, 2018.** The next mandatory CPI adjustment will occur in 2023.

**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, you may 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](#) of the Code of Virginia, 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](mailto:cic@dpor.virginia.gov) or by telephone at 804-367-8510.