

FREQUENTLY ASKED QUESTIONS (FAQs)

REGARDING FUAO RESALE CERTIFICATES

-Beth Brough, FUAO Bookkeeper

What is a resale certificate and why would I need one?

An FUAO resale certificate is a statement of the current owner's FUAO account required upon the sale of that owner's property. It is documentation for the buyer(s), the closing attorney and the buyer's potential mortgagee (particularly sought after in the case of federal loans) that the current owner(s) have paid all FUAO assessments and fees.

The certificate/statement is also used to prorate any assessment monies on the Closing Disclosure (formerly the HUD statement) previously paid and/or unpaid by the current owner(s). This proration occurs between the seller(s) as the current owner(s), and the buyer(s), as most sales occur within an FUAO fiscal year. In general, the closing attorney will need the resale certificate/statement approximately 2 weeks before the closing date as there is a federally required deadline for the completion of the Closing Disclosure prior to closing.

Who issues this certificate/statement?

It is issued by the FUAO bookkeeper under the auspices of the FUAO treasurer.

Who receives the certificate/statement once issued?

Closing attorneys themselves, their assistants, realtors as well as owner(s) will usually receive the document from the FUAO bookkeeper as an emailed pdf file.

Is there a fee for the certificate/statement?

Yes. There is a \$50 administrative fee. The owner(s) pay this fee at the time of closing along with all other closing costs, fees, expenses, taxes and realtor commissions as a separate line item listed on the Closing Disclosure (formerly the HUD statement).

Who is ultimately responsible for obtaining the certificate?

Even though, for the most part, closing attorneys and realtors in this area are very much aware of the FUAO resale certificate requirement and make a good effort to accomplish this efficiently, last minute requests are not uncommon. Plus, there have been multiple times when an attorney and/or realtor have been totally caught unaware of this requirement.

The owner(s) are ultimately responsible and should squire such an effort in order to make their closing go as smoothly as possible.

Can the process be expedited by the owner(s)?

Yes. The owner(s) know exactly when they have a ratified contract and thereby, the proposed closing date. Their realtor, moreover, knows pretty quickly thereafter, if the contract’s proposed closing attorney or an alternate choice will be scheduled. At this juncture, it would be very easy for the owner and/or their realtor to get the closing attorney’s email contacts along with the scheduled closing date to the bookkeeper. The bookkeeper can then readily email the pdf certificate/statement. This would greatly enhance the efficiency of the process and ensure everything is accomplished by the closing date without the possibility of last minute rush or even delays.

Where can I read about resale certificates?

Section 4.10 of our Bylaws defines resale certificates for you. You can find a viewable, downloadable, and printable pdf of the Bylaws on our website at www.fernbankatcresscreek.org or www.fuoa.org.

Also, these FAQs will not only appear in this newsletter but will also be placed online in a viewable, downloadable, and printable pdf for your reference along with the full text of Bylaws section 4.10 below.

Online link to Resale Certificates: FAQs PLUS Closing Disclosure Explained:

<http://fuoa.org/page-1544806>



From the Bylaws, Article IV:

Section 4.10 Resale Certificates and Statements of Unpaid Assessments. The treasurer, assistant treasurer or a manager employed by the Association, or, in their absence, any officer having access to the books and records of the Association, may prepare, certify and execute resale certificates in accordance with Section 3-118 of the Act¹ and statements of unpaid assessments in accordance with Subsection 3-116(h) of the Act.

The Association may charge a reasonable fee for preparing resale certificates and statements of unpaid assessments. The amount of this fee and the time of payment shall be established by resolution of the Executive Board. The Association may refuse to furnish resale certificates and statements of unpaid assessments until the fee is paid. Any unpaid fees may be assessed as a Common Expense against the Unit for which the certificate or statement is furnished.

¹ The “Act” refers to the provisions of the Uniform Common Interest Ownership Act, West Virginia Code Section 36B-1-101.

