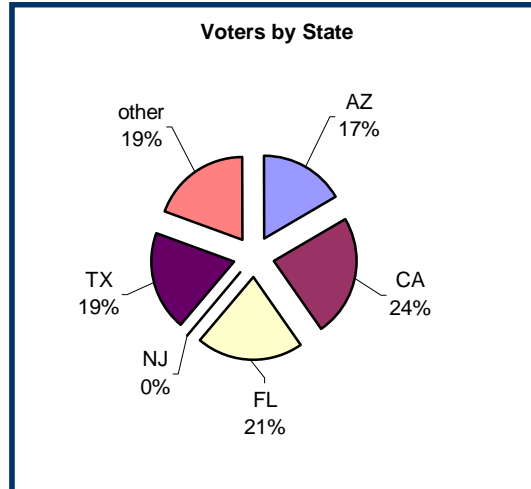
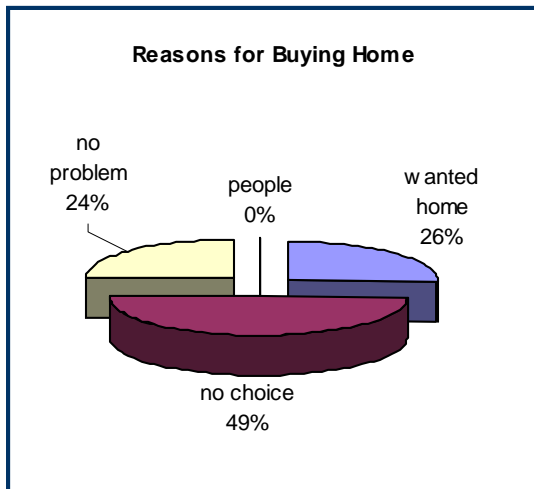


**Questions**

1. Told about loss of rights?
- 1a. Bought home regardless
- 1b. (if YES to any above, see Reasons)
2. Is HOA a government?
3. Where you fined, etc?
4. HOA is a CAI member?



**Quick Observations**

1. "Having a problem" and "would not have bought" are related.
2. Other factors are NOT related to problems -- CAI membership and HOA as government
3. Low CAI membership response
4. Most respondents have had a problem
5. Strong response, 83%, to support "no knowledge of loss of rights"
6. "Reason for buying" shows most common as "no other choice" with 49%"
7. Respondents in 4 states cast 81% of votes
7. "No" response to government needs clarification

prepared by StarMan Group

# National Coalition for Homeowner Rights Survey

## Methodology

A modest survey was conducted on the internet using email lists and web sites for several homeowner rights groups. These groups ranged from “activist” to “homeowner information” and were either open to anyone or the email list subscriber had to “register” first. There were no background questions except for the state in which the HOA was located and if the HOA was a member of CAI. No group was real estate or developer/builder oriented.

A total of 72 respondents completed the internet questionnaire after some checking for prior voting.

## Summary of Findings

### A. Questions of valid CC&R contracts and marketing practices

The lead question, Q1, "were you told about your loss of rights" is as expected with an 83% NO. A similar question on CAI's 1999 survey, "how well did you understand your CC&RS", did not have any results published. Nor did CAI publish answers to its question to non-HOA homeowners, "how well do you like your neighborhood".

The high NO response to this question cannot be logically related to the high response to Q3, "having had a problem with your HOA". You cannot establish a "driver", as CAI has used the term, between having a problem and not knowing that you lost your rights when you bought your home.

This survey result does raise the question of the validity of the CC&Rs in regard to the requirements for a valid contract: “a meeting of the minds” or “informed consent”. This leads to the logical follow up question of, “Why aren’t home buyers so informed?”

### B. Privatization of housing without consent of the governed

For Q1 and Q1A -- only 28% of respondents answered that they bought or would have bought a home anyway -- shows just 26% of all these buyers bought because they liked the home, but 49% bought because there was no other choice and 24% didn't think that they would have any problems. None chose “liked people or community”. The 65%, who said that they would not have bought an HOA home if they knew of the loss of their rights, is related to the 78% in Q3 who had some HOA problem. (That's 70% of those who answered the question).

These findings seem consistent with the CAI survey result that only "37% would buy again", even though the CAI response was not related to any question of having some problem with the HOA. It appears from these 2 surveys that there is no overwhelming desire to live in an HOA as they exist today. In regard to this finding showing a lack of real desire for HOA housing, why are they are still being mass marketed and mandated in many communities. This appears to be a privatization of housing by our government without popular support.

Additional studies are warranted, including questions relating to the extent of the desire for "maintaining property values" as a prime motivator for buying an HOA-controlled home.

### C. HOAs as a governmental entity or body

Q2 shows almost an even split on the HOA as government question. The responses are significant because some 40% believe HOAs are governments, even though 78% had a problem with their HOA, reflecting that having a problem with an HOA was not connected to the view of the governmental powers of an HOA.

Some feedback from homeowners raised the question of "why the HOA was not a government". The NO response could represent the fact that 1) the HOA is legally a corporation, 2) that the functions are not public functions (assessments are not taxes, etc), or 3) the HOA functions not in a manner that we have come to accept as governmental operations (due process, separation of powers, election and voting requirements, etc). More work needs to be done, by adding a "Why" question in order to qualify the responses.

### D. CAI influence appears limited

Finally, as to CAI's involvement with HOAs, a surprising 15% had CAI member HOAs, disregarding the 49% "don't know" responses. And these were from persons concerned about HOA issues. It appears that CAI's influence on the HOA is much less than their influence on the state legislatures.

A thorough study by an independent public policy think-thank is warranted.

Comments by Citizens Against Private Government HOAs  
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## National Coalition for Homeowner Rights

1. The U.S. Constitution says that the states cannot interfere with private contract obligations. The courts have ruled that the CC&Rs constitute a private contract and the real estate special interests maintain that this contract was a voluntary contract. When you purchased your home, were you made aware that you had surrendered your constitutional rights and lost the protection of the state against violations by the HOA, because you, with full knowledge of the consequences, had voluntarily entered into this private contract ?

YES

NO

1a. If your answer to (1) above was NO, if this information had been given to you, would you have bought your a home in an HOA?

YES

NO

1b. If your answer to (1) or (1a) above was YES, please check the best reason for buying your house:

a. This was the house I wanted

b. I had no other choices of comparable homes except to buy in an HOA

c. I didn't think I'd have any problems

d. I liked the people and the community

\*\*\*\*\*

2. Homeowners associations perform various functions that local government also provide: trash removal, street cleaning and lighting, public facilities like parks and golf courses, they collect the equivalent of taxes, have police powers to fine and penalize, set the equivalent of zoning ordinances, etc. While, legally, they are private nonprofit organizations, do you believe that your association operates like, or has the same functions as, or is equivalent to a municipal government like a town or city?

YES

NO

\*\*\*\*\*

3. Have you, or any close relative been fined, foreclosed on, or felt threatened, intimidated or coerced by your HOA?

YES

NO

\*\*\*\*\*

4. Is your association a member of CAI?

YES

NO

Don't know

\*\*\*\*\*

5. In what state is your association?

AZ

CA

FL

NJ

TX

Other

Prepared by: Citizens Against Private Government HOAs  
Nov 2002