

# TitleTalk

## NEWS YOU CAN USE

MSC Title

May 2014



**Dear Agents and valued customers,**

Writing a contract with a two-week closing date when there is an active homeowner or condominium association can pose some challenges. In order to get to closing on time, it is important to understand the procedures and processes involved with association approvals and estoppel letters. The information included in this month's newsletter will help you to navigate these essential elements of the transaction.

Sincerely,  
Laura Bowers, Managing Director

## The Truth & Importance of Association Approvals & Estoppel Letters

### Association Approvals

Generally, a closing agent cannot obtain an estoppel from the association until there has been an approval. In some cases, associations require a personal face-to-face interview which can further delay a closing or worse yet, require your buyer to fly down for the interview process.

Often board members who approve the applications are out of town, on vacation or up North which can also delay the process of approval.

Many condominium associations **prohibit** buyers purchasing in the name of a corporation, LLC or partnership so check with the association first to see if that is permissible. Some even prohibit the number of parties purchasing the property.

Often these associations do not self-manage and are overseen by management companies. To confirm who to contact at the management company, please reach out to your MSC Title team. You may also find this information online at the Division of Corporations website : [www.sunbiz.org](http://www.sunbiz.org). You will run the association name in the "Name Search" field to see who the management company is or who the board of directors are, if a self-managed association.

### Estoppel Letters

More and more associations are utilizing third party vendors to process estoppel letters, and these vendors often require pre-payment. Additionally, management companies themselves are requiring payment up-front prior to releasing the information to the closing agent.

The following management companies will require pre-payment of estoppel fees, so in order to meet the closing date you must prepare your seller to do this as soon as possible.

If an association is **managed** by any of these property management companies, the estoppel fee is required upfront:

- *Progressive Community Management (PCM)*
- *Advanced Management, Inc (AMI)- If you need an estoppel expedited (less than 10 business days), otherwise you can pay at closing in some cases, but not all*
- *Castle Management*
- *Associa Gulf Coast*
- *Miller Management*

*Associations that require estoppel fee upfront:*

- *Lakewood Ranch Town Hall*

*(Note, the list above may not be all inclusive)*



**I**t is important to understand the procedures and processes involved with association approvals and estoppel letters.

Continued from Page 1

## Top Tips to ensure a smooth, timely closing...

- 1 Inquire with the association about the approval process (is a personal interview required, how long does it take, are there any prohibitions as to who can purchase)
- 2 Be sure to have the buyer complete the association application immediately
- 3 Be sure to have your seller pre-pay any estoppel fees immediately if required by the association or management company

---

At MSC Title, our team is proactive in ordering estoppels immediately and communicating with you when one of the above scenarios arise, to ensure we see you on the other side of the closing table on time.

---



**Michael Saunders & Company**  
LICENSED REAL ESTATE BROKER

MSC Title, Inc. • 40 N. Osprey Avenue • Sarasota, FL 34236 • T: 941-552-5211 • F: 941-552-5210