June 16th 2011

McBride homeowners:

As Treasurer of the association, I occasionally get calls from title companies asking if a seller is paid up on his/her annual dues. This helps with the loan and closing process. However, I have been receiving calls recently directly from mortgage companies and this brings up a serious issue.

Mortgage companies are asking questions about the health of the HOA. Specifically, they are asking about Liability Insurance as well as our financial health. I have been asked to provide a copy and proof of our fully paid liability insurance policy. This translates to: a new Buyer may not be able to get financing to buy a house if the association they belong to does not have current liability coverage. Rest assured that McBride HOA is covered by a fully paid liability policy with Franklin Insurance.

Current dues payments are another issue altogether. The most recent call I took was from a company that asked how far behind on dues collection we were for the current year. Their threshold was 15%. I informed them that yes, we were less than 15% behind for the current year. A full review of the accounts receivables shows that we are right at 15% for 2011. Currently 12 of the 79 owners have not paid for 2011. They are late and must pay $40 late fee to become current.

The number of 12 does not include 2 people who are paying in installments and or paying to catch up. And finally, this also does not include the fact that 2 of the 12, also owe for 2010, 2009 and 2008.

What this means for McBride homeowners is that we could easily get close to not being able to give a “positive” outlook (15% or less behind on dues payments) on our financial health. If an owner is trying to sell their property, having delinquent dues payers may delay or prevent such a sale due to the buyer not being able to secure appropriate financing. This is an issue that affects us all.

If you are behind on your dues, on behalf of all owners in McBride, I implore you to bring your property current with dues for all past years and 2011.

Sincerely,

JD Bauserman

Treasurer

McBride Estates Owners Association

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