

WFG Underwriting Bulletin



To: All WFG Policy Issuing Agents; All WFG Title Examiners and Officers
From: WFG Underwriting
Date: August 22, 2025
Bulletin No.: NB 2025-04
Subject: Multiple Levels of HOAs and Overlapping Covenants

In real estate developments, it is increasingly common for the same property to be subject to several different governing bodies. A single parcel of land may fall under:

- A Community Development District (CDD) or other special tax district that finances infrastructure or amenities.
- A master owners' association (HOA) overseeing the overall community.
- One or more sub-HOAs or property owners' associations (POAs) that govern specific neighborhoods or product types (such as townhomes or single-family homes).
- A condominium association, if located in the community.

Why This Matters

Each of these entities can record covenants, conditions, and restrictions (CC&Rs) that impose different rules, standards, and obligations on owners. Sometimes the rules overlap, and occasionally they conflict. More importantly, each association typically has the right to levy assessments, fines, and penalties—and those can become liens against the property if unpaid.

Failure to account for all applicable associations can result in unpaid assessments being missed at closing, leaving our insureds (and WFG) exposed to claims.

What to Look For

Your title search results should pick up most associations, but sometimes multiple associations are created or referenced in the same CC&R. Don't assume a single HOA governs the property. Review all CC&Rs and amendments to identify whether there are multiple associations or districts in play.

Here are some of the places you should be checking:

- Legal descriptions: Some sub-associations apply only to certain phases or lots within a community. Check carefully that your property is or is not included.

- Recorded plats and declarations: These may reference master/sub-association relationships.
- Public records: Look for recorded notices from CDDs, POAs, and condo associations in addition to the main HOA. If you didn't find CC&Rs for each, look further.

When multiple associations govern a property:

- Obtain an estoppel letter (or equivalent payoff statement) from each association. These letters confirm whether assessments are current and disclose any outstanding charges.
- Verify that all assessments are brought current at closing. Do not assume payment to one association clears obligations to another - even if one association is making payments to the other.
- Confirm payoff funds are allocated properly. Different associations may require separate checks.
- Document your file. Retain copies of all estoppel letters and evidence of payment.

Bottom Line:

Always assume the possibility of multiple layers of governance in modern planned developments. Missing an association or its assessments can result in unpaid liens and costly claims.

NOTE: This Bulletin is for the sole purpose of establishing underwriting positions and policies reflecting WFG National Title Insurance Company's best business judgment. The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company, its title insurance agents and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.

The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.