

Sperlonga Builds a Bridge Between HOA Management Co. and Bank to Resolve Past Due HOA Claims

Sperlonga makes it easier for bank to identify and settle past due HOA accounts that increase REO carrying costs and hold up resales

Arlington, VA – December 5, 2011 – A Georgia bank and a Georgia homeowners association (HOA) management company may have not been far apart geographically, but they were each unaware that they shared a common business problem until Arlington, Virginia-based Sperlonga Data & Analytics brought them together with a solution. Sperlonga, a subsidiary of national asset firm MMREM, is a resource for HOAs, their management companies, investors and servicers that are struggling to deal with unpaid homeowners association claims.

Delinquent HOA accounts are commonplace on foreclosed properties and it is very often difficult for loan servicers to determine if a HOA is attached to a foreclosed property, leading to complications when defaulting mortgages turn into owned real estate (REO). At the same time, associations and HOA management companies have no reliable way of knowing where and how to submit their claims for payment, due to a longstanding communication gap that Sperlonga now bridges.

Action Community Management of Hiram, Georgia, contacted Sperlonga for help with several delinquent HOA accounts on properties that were either going through foreclosure or were already owned by banks. Within 48 hours, Sperlonga had found and contacted the servicer on three of the properties, a Mississippi-based bank with an REO office in Georgia, only about 50 miles away from Hiram. “They were close on the map but neither knew the other existed,” says Brent Stokes, senior vice president of Sperlonga.

This is not unusual, according to Stokes. “In fact, HOA account obligations have become a premier issue for servicers. There are millions of properties out there that have HOAs attached to them, and many of the associations and their management companies are unable to connect efficiently with the corresponding loan servicer to get their claims paid,” he says. When HOA claims are unpaid, communities suffer, and so do investors and servicers. “In some states, first lien positions are threatened and it becomes far more difficult for properties to be sold until HOA claims are satisfied,” he notes. “We work with both the servicers and the HOA community to bridge the communication gap and get these problems solved.”