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COMMUNITY NEWS

TALKING to BOARDS about GREENING their COMMUNITIES

MARGIE LANGSTON, CMCA®

RECENTLY, ASSOCIA OFFERED A VIDEOCONFERENCE SEMINAR

to its managers titled “Going Green to Save Green” presented by Mitch Frumkin, a Reserve Specialist and Professional Engineer from Kipcon, Inc., an engineering and consulting firm in New Jersey. Mr. Frumkin’s presentation on “Going Green to Save Green” focused on ways to get managers and boards thinking about how to evaluate projects in terms of environmental considerations.

When considering the replacement cost of large components, such as roofs, HVAC systems and even whole buildings, the board oftentimes looks only at the upfront cost in deciding how to spend the money. Mr. Frumkin proposed a system of evaluating not just the initial costs, but the anticipated savings over the lifetime of the improvement. For instance, a more efficient heating and air system may cost more upfront, but the lower energy bills will make up the difference over time. The reserve study is a good tool to use in readjusting the operating costs over the life of the component and determining that the initial cost plus the operating costs may be the most economical choice overall.

Mr. Frumkin noted that an estimated 60 million Americans live in association-governed communities, with 80% of new residential construction being within managed communities. As money is set aside regularly for eventual replacement of capital components, associations have a tremendous opportunity to use those funds to make choices that are more “green.”

What is meant by green building? It can be anything from the design of a building which takes advantage of natural heating and cooling to the use of recycled materials or using materials that do not emit toxic fumes. A green building component may be one that is exceptionally durable or low maintenance, such as using composite material instead of wood for decking that will not end up in the landfill in 20 years. Systems that save money or water, are comfortable and safe for the occupants are all considered “green.” While managers don’t often have input into a building’s construction, it’s important to be familiar with these principles in case the opportunity arises to educate those that may be making the decisions. Replacement components such as lighting, windows or landscaping all have the potential for more environmentally friendly choices. LED lights and newer, well insulated windows help to lower overall energy costs, while installing drought tolerant shrubs and perennials reduce the need for watering.

The speaker emphasized a Whole Building approach — that every system should be considered in relation to every other system. In addition to the dollar figures that the reserve study provides, there may also be government subsidies for certain improvements that would bring costs down even more. When lower operating costs over the lifetime of an improvement benefit the association as well as the environment, it is a win-win situation.

Associa provides these educational seminars to all its managers through a series of video-conferences once a month with professionals in a variety of fields.

CLIENT ANNIVERSARIES

The following clients are celebrating anniversaries with Community Group in March, April and May.

Richmond Office

Laurel Square	27	Windy Creek	6
Ruxton	24	Clayborne Village	5
Sycamore Mews	18	Oakland Chase	5
Beechtree	15	Threechopt Village	5
Park West	15	Bell Creek Condos	4
The Warsaw	15	Bell Creek Single Family	4
Ashton Park	12	Carrington	4
Pebble Creek	12	Grand Oaks	4
Five Forks Village	11	Abbey Village	3
Pemberton Oaks Townhouses	11	Honey Meadows	3
Spicetree	11	Lake Jordan	3
The Prestwoud	11	Midview Farms	3
Virginia Center	11	Rose Hill Villas	3
Rochedale Hundred	10	Castleton HOA	2
Springfield Centre	10	Clarendon Woods	2
Bellgrade	9	Crescent Cove	2
Belmont Park	9	River Breeze	2
Founders Bridge Golf Villas	8	North Trail	2
Sherrington	8	Westwood Village	2
Barrington Valley	7	White Oak Forest	2
Millspring	7	Dunlora	1
Charter Colony Foundation	6	Hunton Park Landscaping Committee	1

Newport News Office

York Meadows	11
Cromwell Ridge	9
Poole's Grant	9
Claiborne	8
Hampton Bay II	8
Magruder Commons Four	8
Magruder Commons One	8
Inlet Point Homes	7
Inlet Point Cluster Homes	7
Braemar Creek	4
Hunts Neck Estates	3
Foundation Square	2
Vineyard Heights	2

Virginia Beach Office

Crescent Cove	14
River Breeze	6
North Trail	3

EMPLOYEE ANNIVERSARIES

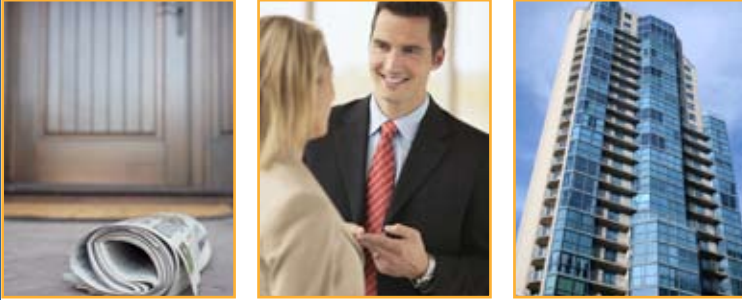
The following employees are celebrating anniversaries with Community Group in March, April and May.

NAME	DATE	YEARS
Van Cobbs	April 1, 1983	27
Tom Kelly	April 1, 1999	11
Art Porter	April 26, 1999	11
Amber Moore	March 27, 2000	10
Marsha Hoiberg	May 1, 2001	9
Kelly Cole	May 13, 2002	8
Thomas Hall, Jr.	May 13, 2002	8
Bruce Haring	May 2, 2002	8
Noel Parrish	May 27, 2003	7
Tianna Hailstalk	May 3, 2004	6
Ida Gardner	March 21, 2005	5
Margie Langston	April 4, 2005	5
Marjorie Armstead	April 11, 2005	5
David Trammell	March 21, 2005	5
Edythe Banko	April 28, 2006	4
Edgar Vasquez	March 20, 2006	4

NAME	DATE	YEARS
Willis Branch	March 12, 2007	3
Carolyn Grimes	April 30, 2007	3
Bradley Keck	May 21, 2007	3
Antonio Orbe	March 12, 2007	3
Jennifer Berryman	May 19, 2008	2
Donna Bodony	May 12, 2008	2
Joseph Davis	May 5, 2008	2
Carl Hayslett	May 19, 2008	2
Jesus Juarez	March 25, 2008	2
Roque Ramirez	March 3, 2008	2
Jennifer Rice	May 12, 2008	2
Marci Barker	May 26, 2009	1
Ashley Ewell	April 27, 2009	1
Stacy Rivera	April 1, 2009	1
Jim Smith	March 10, 2009	1
Jason Weikle	April 9, 2009	1

NEW FHA STANDARDS for MORTGAGE on CONDOS

MARGIE LANGSTON, CMCA®



Effective December 7, 2009, the Federal Housing Administration (FHA) instituted new, stricter rules for approving mortgages on condos. Many first-time homeowners rely on FHA-backed loans which allow a lower down payment and a loan guarantee backed by the government. In light of an increase in mortgage defaults and related foreclosures, the FHA has now tightened up their requirements. All condo owners and managers of condos should be aware of these rules and how they could impact sales and property values. Here are some of the highlights of the new rules:

- No more than 50% of the units can be rental units.
- No more than 10% of the units may be owned by one investor.
- No more than 15% of the total units can be 30 days or more past due on the payment of assessments.
- FHA will not insure more than 30% of the units in any one development.
- Mortgage lenders must review the association's budget. The budget must include allocations to ensure sufficient funds are available to maintain and preserve all amenities and features, provide for the funding of reserves in an account representing at least 10% of the budget and provide adequate insurance.

Another important change is the requirement for a condo

community to be certified eligible for FHA loans, and that certification must be renewed every two years. To assist with this process, Associa has put together a service that communities may choose to purchase in order to get their association's buildings certified by an outside professional. Associa negotiated a discounted rate for its member associations, and if you are a condo board member, you should be receiving some detailed information on this program through your manager or through the "CEO Direct" emailed messages.

Providing certification for the whole community like this is a proactive approach that is advantageous in assuring that the process is handled by experts in the field. Mortgage lenders who attempt to certify a condo project for the purpose of obtaining FHA financing vary in quality and experience and will not necessarily have the best interests of the association in mind.

Another consequence of the FHA requirements is a desire by many condo boards to institute rental restrictions on the units so that the 50% limit does not become a deterrent to selling a unit or obtaining financing. As some condos fall into foreclosure or are otherwise sold at distressed prices, there is a real concern that investors will become the majority stakeholders in some condo communities, which makes it even less likely that a rental restriction amendment would pass and become a new bylaw. That is a slippery slope that each condo community must contend with, and examine whether a rental restriction is feasible or not for their association.

The new FHA rules should guard against some of the loan defaults and problems that have contributed to the real estate slump by making sure that the communities where loans are granted are financially stable, and this in turn will bolster the overall property values.

WELCOME! NEW PROPERTIES



OFFICE

Richmond

Richmond

Virginia Beach

COMMUNITY

Gateway Village

The Grove Homeowners Association

Ridgely Manor @ Lake Smith HOA

RICHMOND OFFICE MOVING

After 13 years at their present location in Innsbrook at 4222 Cox Road, Community Group's Richmond office will be moving to a new location in late May/early June. The building's owner sold to First Capital Bank, who will use the current Community Group location to expand their offices.

The new office space is located less than one mile away at 3901 Westerre Parkway. This location will offer equal convenience and amenities, as well as space for expansion. Notifications will go out with exact dates and details – stay tuned!

WELCOME NEW HIRE

Community Group would like to welcome our new hire, Jennifer Jack in our Newport News! We are glad to have you on board!



www.communitygroup.com

4222 Cox Road Suite 110
Glen Allen, VA 23060
Phone: (804) 270-1800

1828 Pavilion Circle
Charlottesville, VA 22911
Phone: (434) 984-0700

11818 Rock Landing Drive Suite 204
Newport News, VA 23606
Phone: (757) 873-1800

4534 Bonney Road
Virginia Beach, VA 23462
Phone: (757) 499-2200

50 Braemar Creek
Williamsburg, VA 23188
Phone: (757) 345-6400