

2023

South Carolina  
DEPARTMENT OF CONSUMER AFFAIRS  
**HOME OWNER ASSOCIATION  
FIVE YEAR REPORT**

## HOA ACT HISTORY

The South Carolina “Homeowners Association Act” (S.C. Code Ann. § 27-30-340) became law in May 2018. It applies to communities and horizontal property regimes requiring homeowners to pay assessments. The law requires governing documents to be filed, provides certain meeting notice requirements and access to budget and membership lists, and requires the Department of Consumer Affairs (DCA) to collect specific data from complaints involving homeowners associations (HOA). Our complaint process is one of voluntary mediation. We cannot force a HOA or homeowner to participate in the complaint process, require a specific outcome or attempt to arbitrate the dispute. The information collected, however, must be reported to the Governor, General Assembly and the public by January 31st each year.

The Department issued the first annual report on January 31, 2019 containing information compiled from complaints received June 1, 2018 - December 31, 2018. Every report issued thereafter contains data from the prior calendar year.

In celebration of the law’s fifth anniversary, DCA is releasing a compilation of the HOA complaint data received from June 1, 2018 - December 31, 2022. Individual annual reports can be found on our HOA education webpage. Each report is in a categorized, filterable and searchable format.

## EXECUTIVE SUMMARY

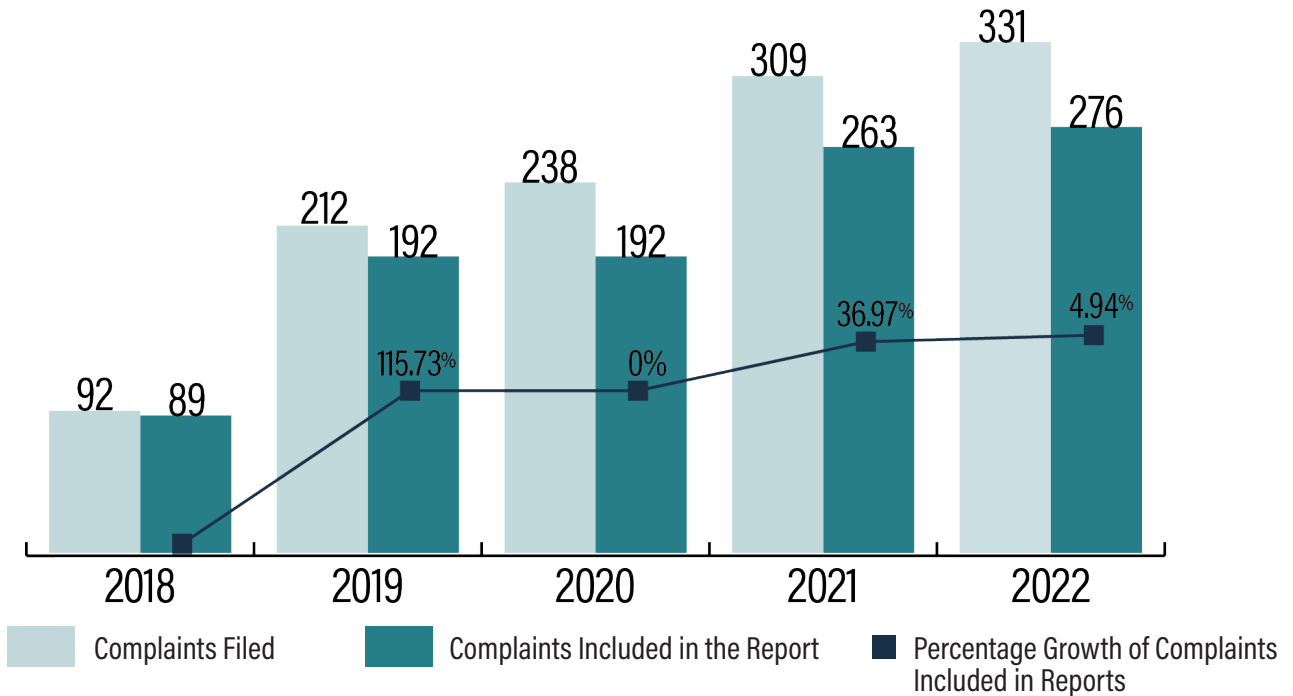
- The Department received 1,182 complaints regarding HOAs from June 1, 2018 - December 31, 2022. The five reports issued during that time only included 1,012 complaints as 170 did not meet the statutory requirements for inclusion, were duplicates or were referred to the SC Human Affairs Commission.
- Complaints came from 27 of South Carolina’s 46 counties. The top three counties for complaints reported per capita are: (1) Horry (.74); (2) Jasper (.66); (3) Georgetown (.60).
- The top complaint concern was a failure to adhere to and/or enforce covenants and bylaws (24.32%).
- State agency oversight was the number one recommendation for enforcing governing documents (28.11%).



# HOA COMPLAINTS IN SOUTH CAROLINA

Each year the Department receives more HOA complaints than the year prior. Not all complaints received are included in the issued report, though, as some do not meet the statutory requirements for inclusion, are duplicates or are referred to another state agency.

## COMPLAINTS RECEIVED & PERCENTAGE INCREASE YEAR OVER YEAR



Total Number of Complaints Reported over Five Years:



1,012

Number of HOA's with Complaints:



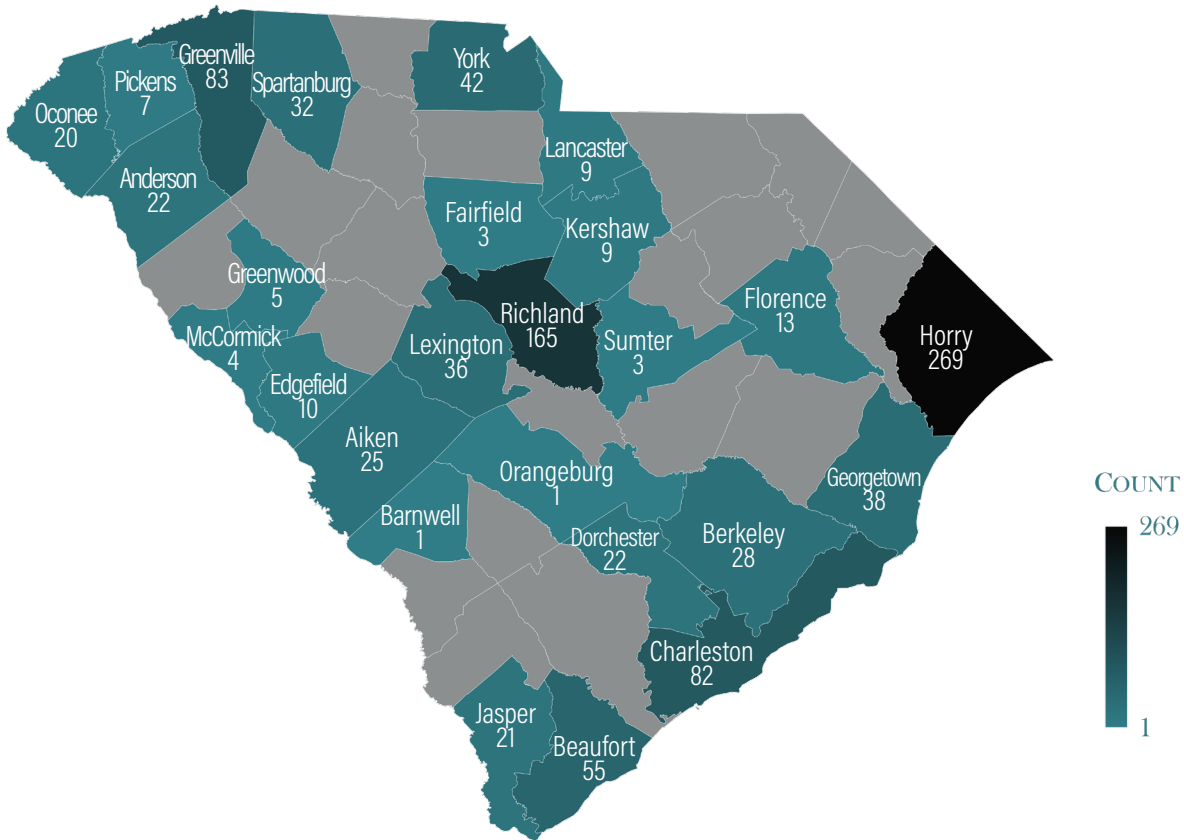
640

Number of HOA's with Management Companies:

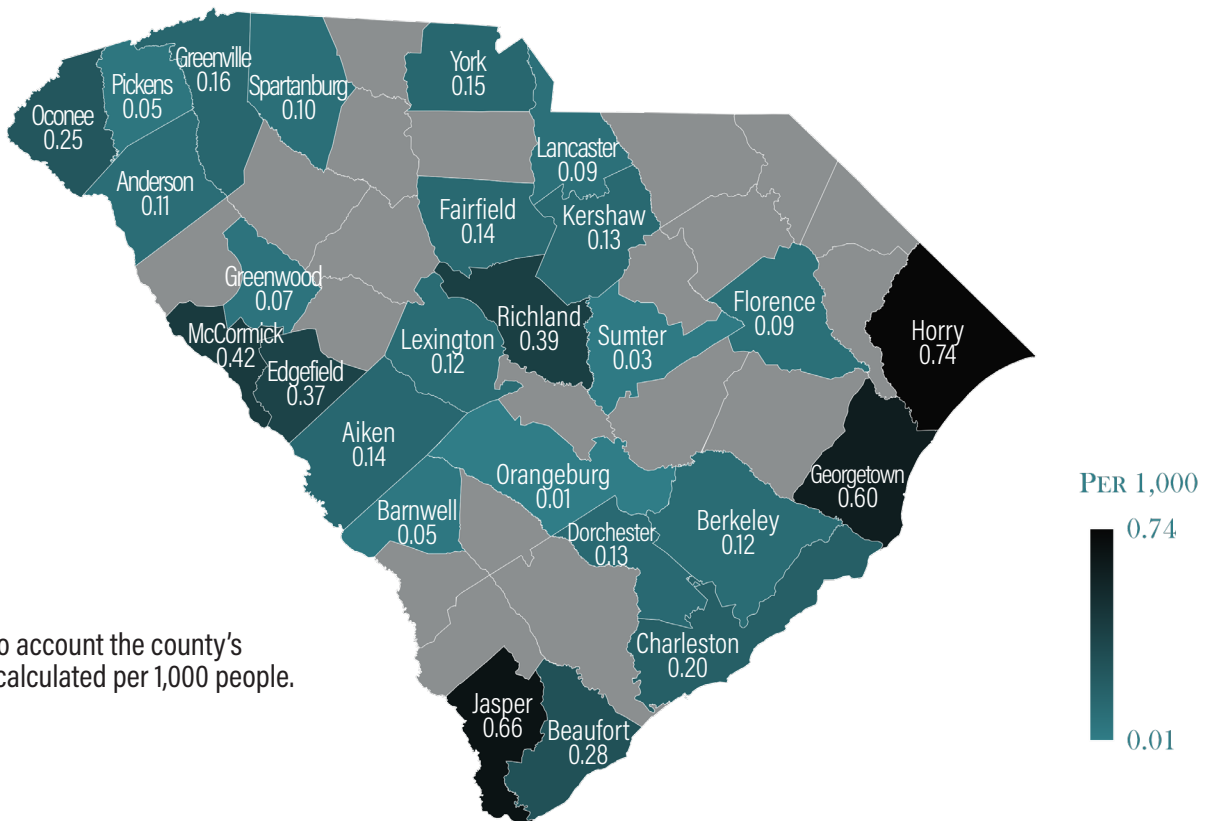


208

### COMPLAINT COUNT PER COUNTY



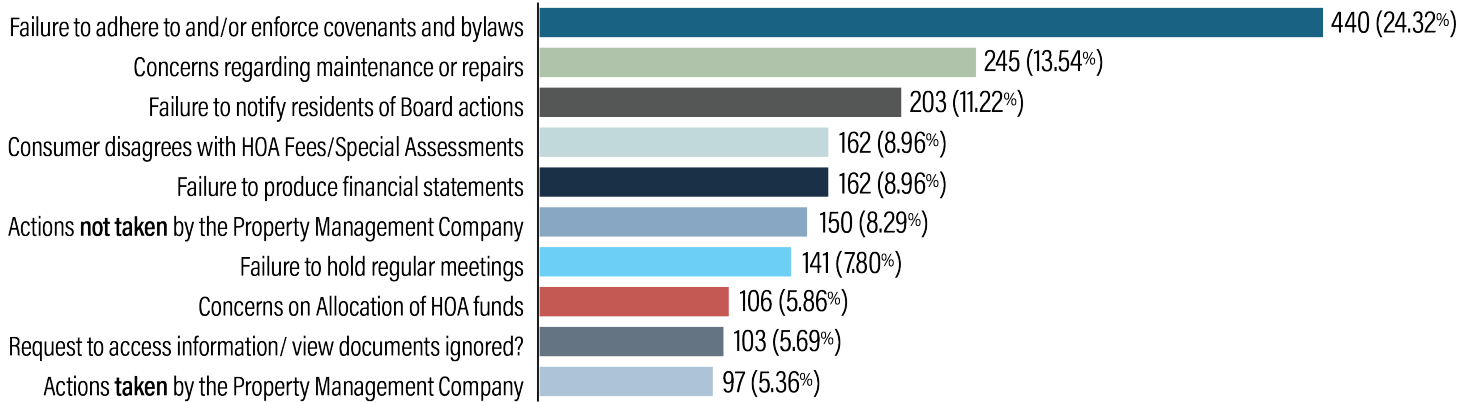
### COMPLAINTS PER COUNTY PER CAPITA



This map takes into account the county's population and is calculated per 1,000 people.

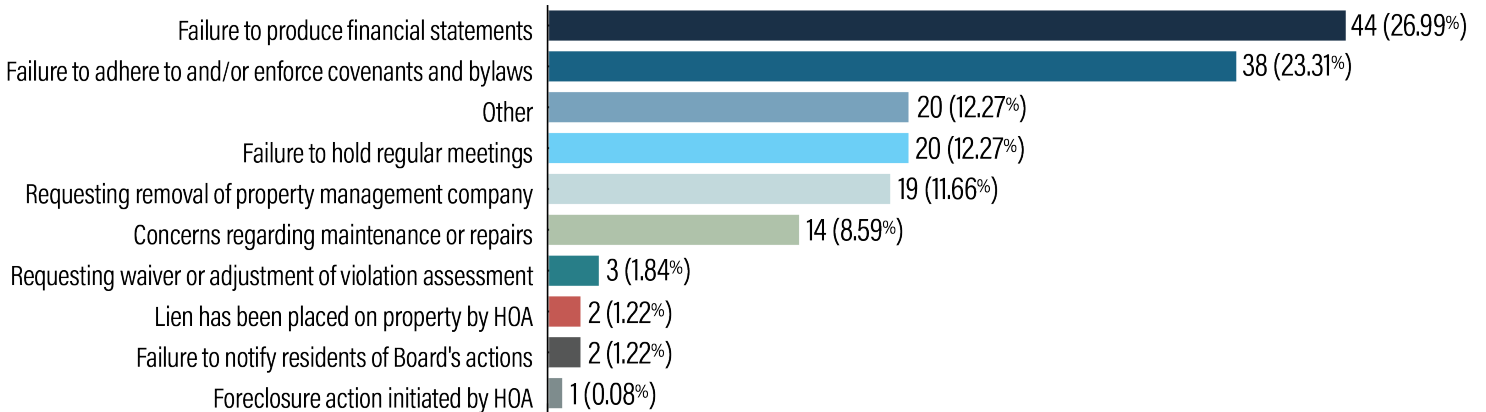
## TOP 10 COMPLAINT CONCERNS 2018-2022

When a consumer files a complaint, they may raise one or more concerns. This data includes all concerns amongst the 1,012 complaints reported in the past five years.

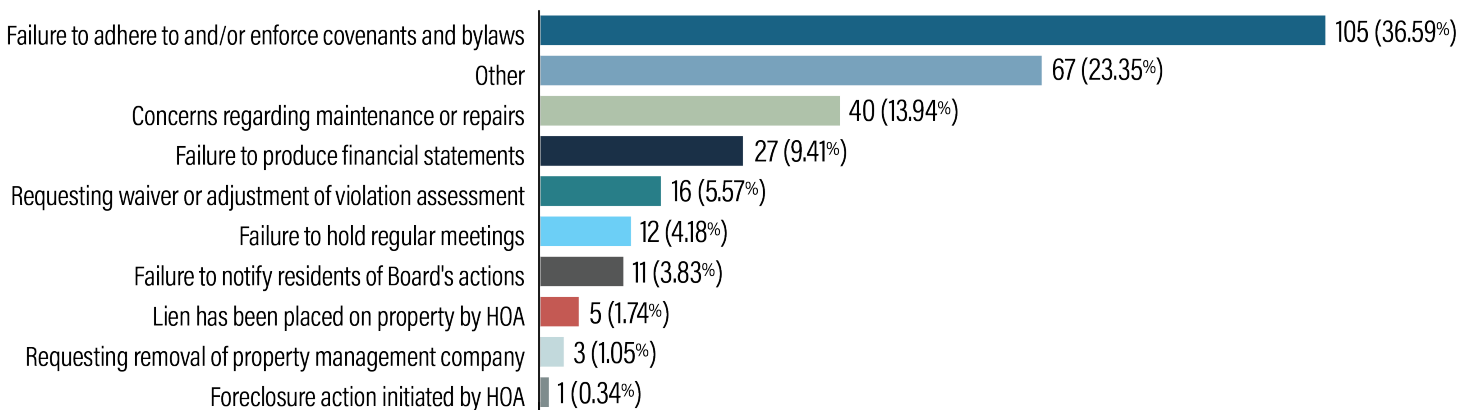


## COMPLAINT CONCERNS YEAR OVER YEAR

### 2018

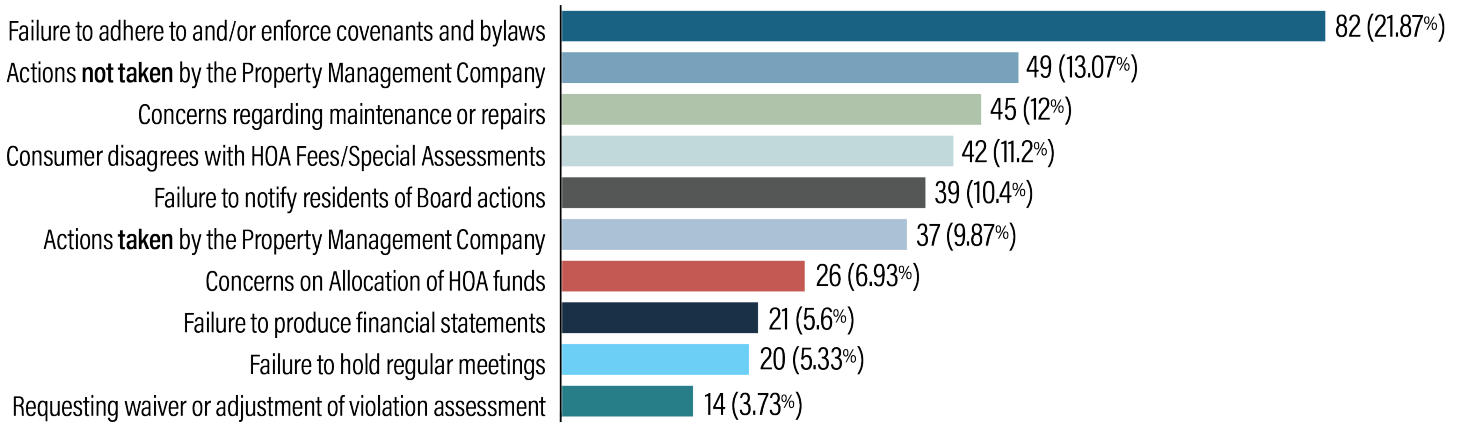


### 2019

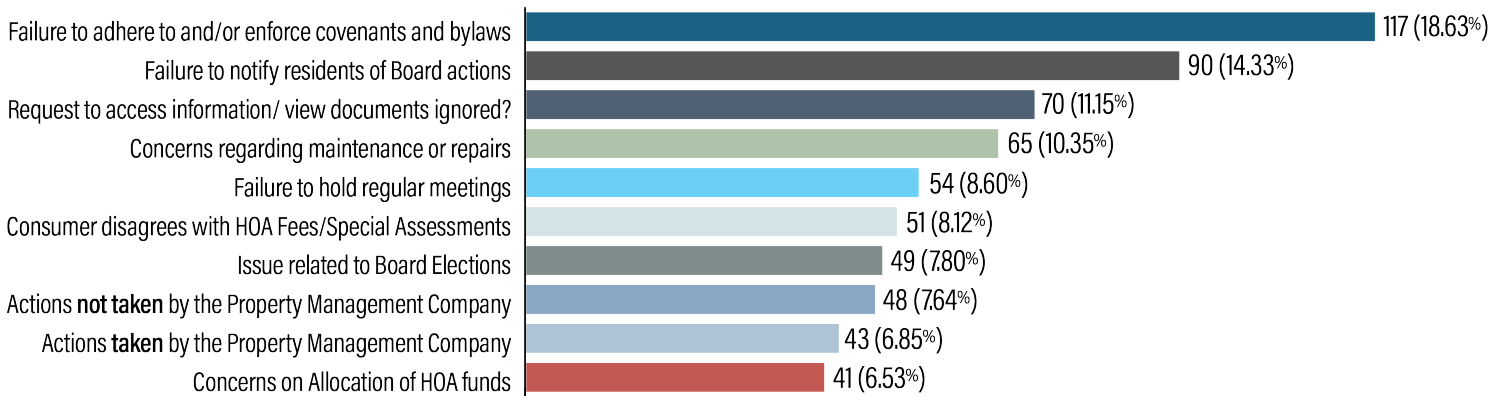


## COMPLAINT CONCERNS YEAR OVER YEAR CONTINUED

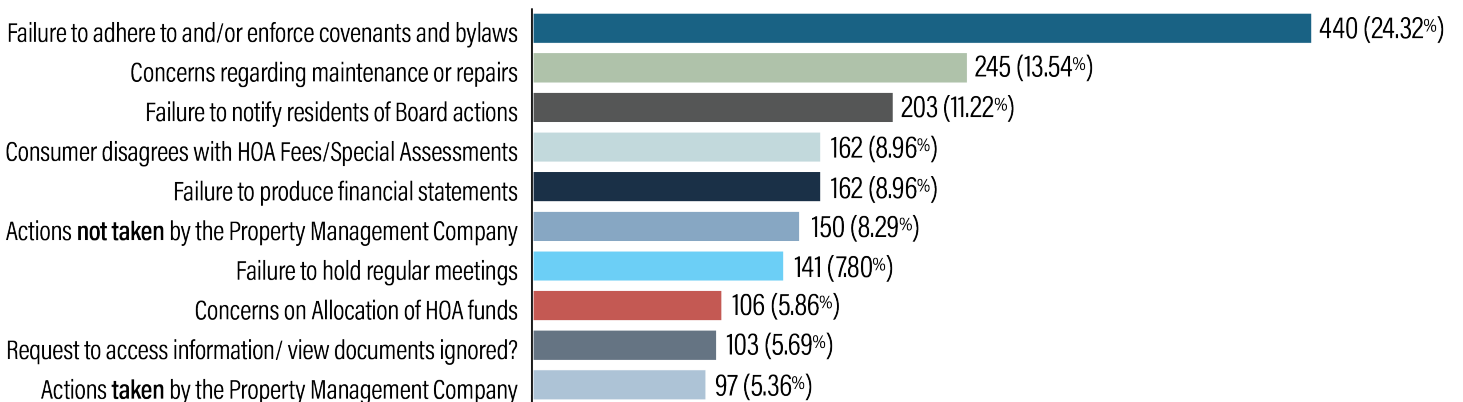
### 2020



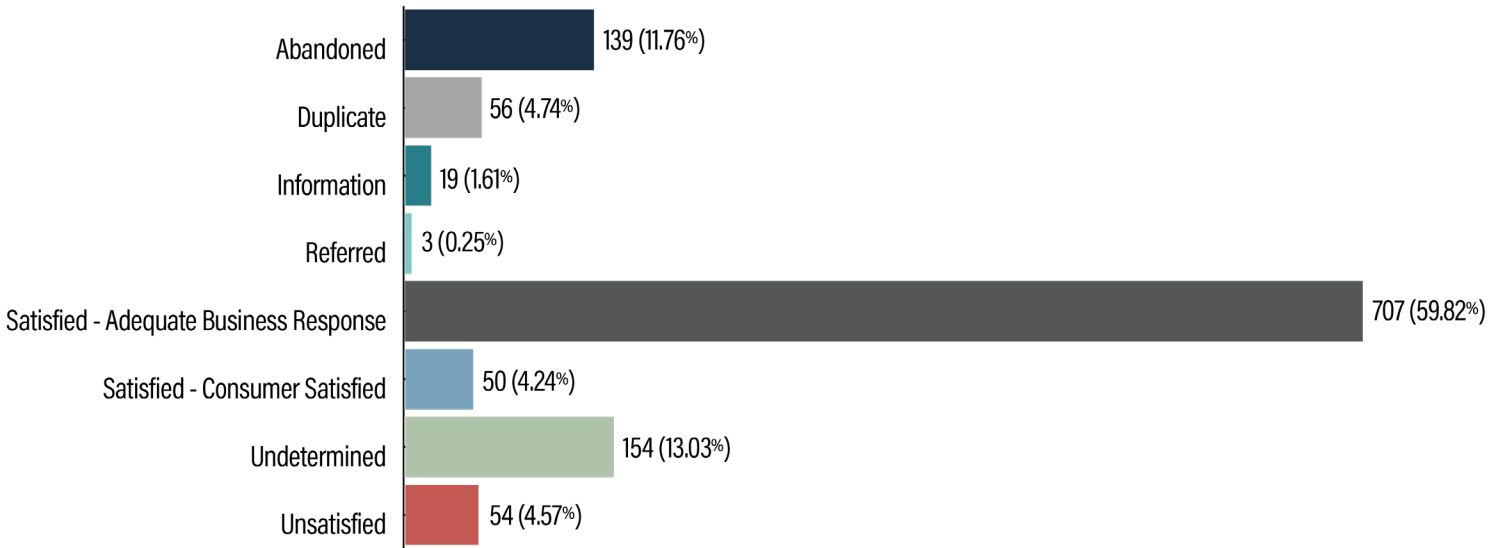
### 2021



### 2022



## COMPLAINT CLOSING CATEGORIES



## COMPLAINT CLOSING CATEGORIES DESCRIPTIONS

### **Satisfied: Consumer Satisfied**

A business response has been received that the consumer deems satisfactory.

### **Satisfied: Adequate Business Response**

A response is received that may not satisfy the wishes of the consumer but did respond to all points of contention and referred to a policy that supports the businesses claim.

### **Unsatisfied**

A business response was never received.

### **Undetermined**

There are disputed facts that remain regarding the consumers concerns and the business response.

### **Abandoned**

The consumer failed to provide the SCDCA with the requested information necessary to proceed with the complaint process.

### **Information**

The complaint simply notified SCDCA and didn't require a response.

### **Referred**

The complaint is referred to an outside agency.

### **Insufficient Merit**

The complaint cannot be determined based on the information provided.

### **Duplicate**

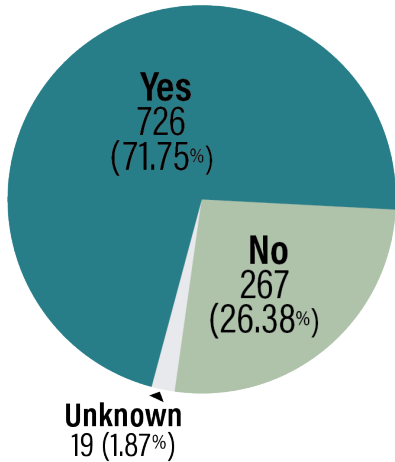
The complaint was already filed or provides updates to an existing complaint.

## SUPPLEMENTAL QUESTIONNAIRE

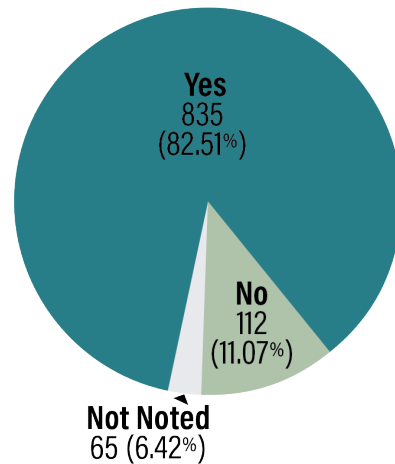
State law requires a HOA complaint contain certain data. These items are included in a supplemental questionnaire and required to be submitted to DCA in addition to the general complaint form. The information on pages 7 through 9 is a compilation of responses from the supplemental questionnaires received.



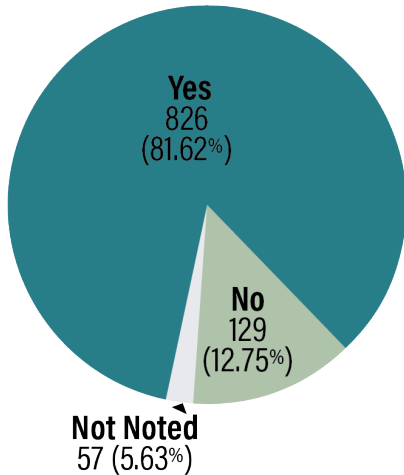
Is there an HOA Management Company?



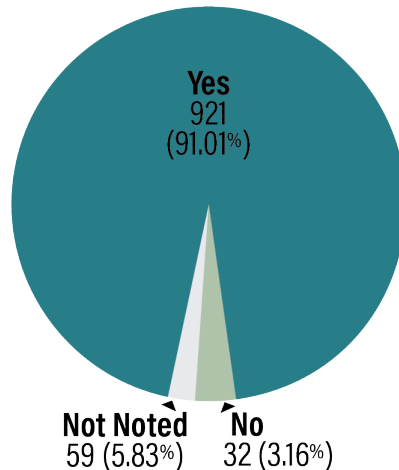
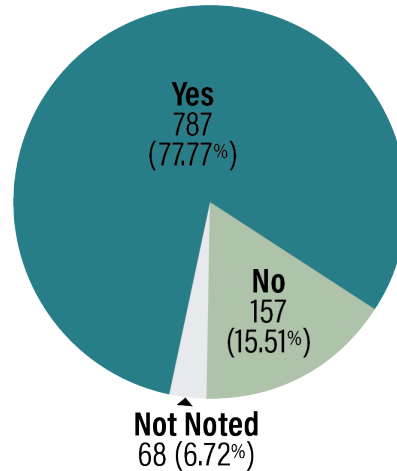
Were you informed of the requirement of membership in a HOA as a condition of home ownership?



Have you received a copy of the governing documents of the HOA?



As a homeowner do you understand your rights and obligations under the governing documents?



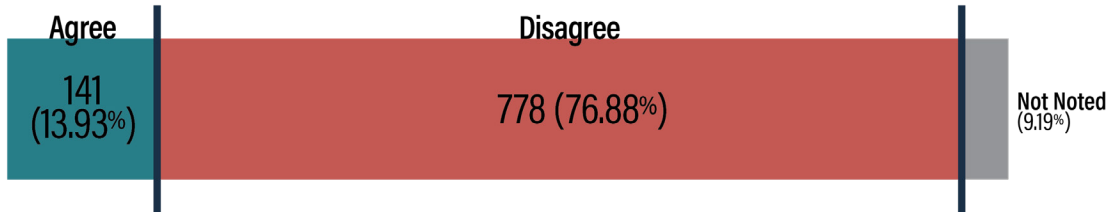
Have you communicated your concerns to the HOA or Management Company, if any?

## DO YOU AGREE OR DISAGREE?

Do you agree or disagree with the provisions of the governing documents?



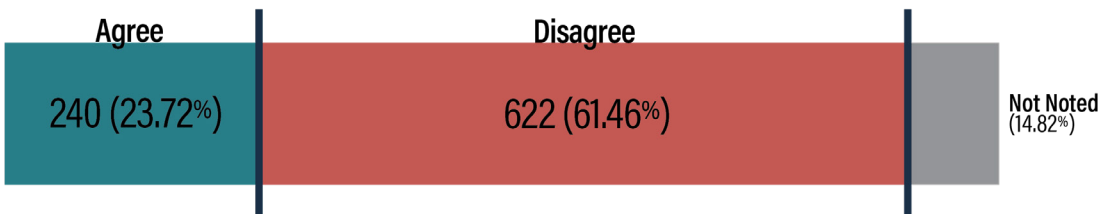
Do you agree or disagree with how the provisions were enforced?



Do you agree or disagree that more enforcement of provisions is needed?

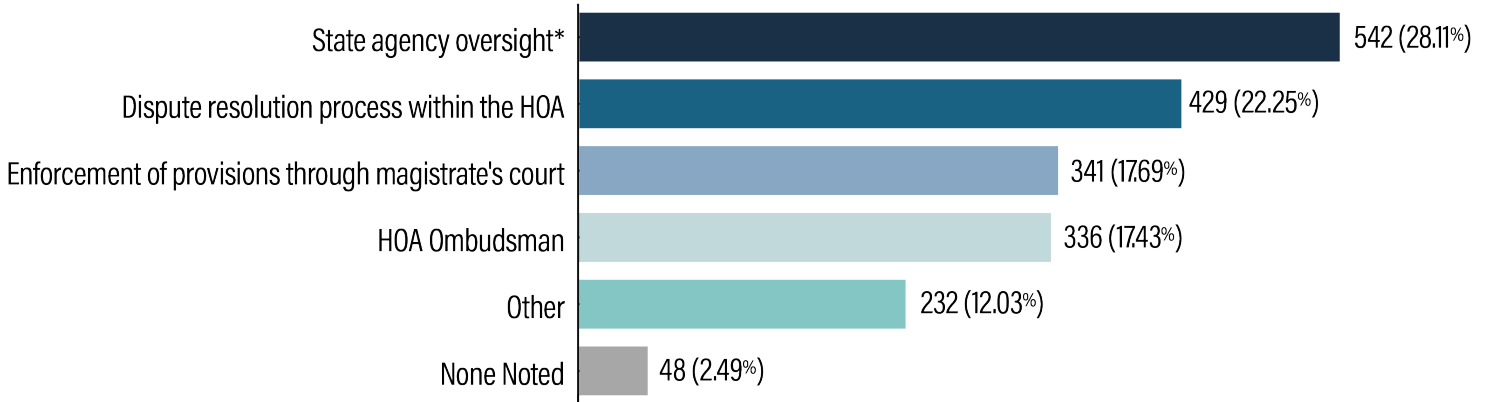


Do you agree or disagree that less enforcement of provisions is needed?



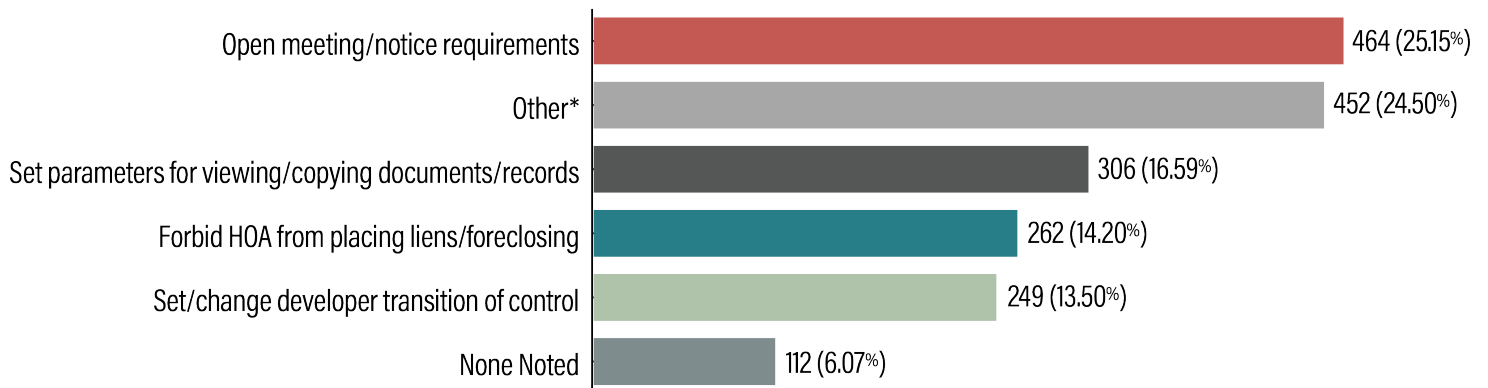


## RECOMMENDATIONS FOR ENFORCING THE GOVERNING DOCUMENTS, IF ANY. (2018-2022)



\*Note: State agency oversight was the number one recommendation every year across the five year period.

## RECOMMENDATIONS FOR CHANGING PROVISIONS OF THE GOVERNING DOCUMENTS. (2018-2022)



\*Note: "Other" is where consumers can write in their personal recommendations that may not fit into a specific category. Each individual HOA annual report can be filtered and the individual submissions that fall under the "other" category can be viewed.

# HOW DOES A HOA KNOW WHAT THEY CAN AND CANNOT DO?



## NO TWO HOMEOWNERS ASSOCIATIONS ARE ALIKE...

The South Carolina Department of Consumer Affairs (SCDCA) often gets questions from homeowners and homeowners association (HOA) boards about the rights and responsibilities of associations and their members. These include whether dues can be increased, what constitutes a quorum and meeting notice requirements. The majority of the questions can be answered by one or more of the following:



Generally, the **rules and regulations** (commonly referred to as the covenants, conditions and restrictions or CC&Rs) limit how a homeowner can improve or use their property. Topics often covered in the rules are related to landscaping, home/building standards, guests and pets.

The HOAs **declaration, master deeds and bylaws** cover rights and responsibilities of members and the HOA, but mainly set out how the homeowners association will operate. This includes information on meetings, dues, special assessments, elections and collection policies. Certain provisions in the rules and other governing documents may be superseded by state law.

## WHICH LAW(S) APPLY TO THE NEIGHBORHOOD THAT I LIVE IN?

While South Carolina does not have a state specific law detailing how a homeowners association must operate, several South Carolina laws may apply. The most common laws are:

**The Nonprofit Corporation Act** applies to HOAs that have filed its nonprofit articles of incorporation with the Secretary of State. The law provides details on meetings (including notice & quorum requirements), rules for the board of directors and homeowners access to records. To find out if a HOA is registered as a non-profit visit the SC Secretary of State's website: <https://businessfilings.sc.gov/BusinessFiling/Entity/Search>.

**The Horizontal Property Act** applies to apartments/condominiums. This law provides details on how to set up a horizontal property regime, what must be included in the master deed/ lease and bylaws, record keeping requirements and allocation of expenses.

**The Homeowners Association Act** applies to communities and horizontal property regimes requiring homeowners to pay assessments. (Does not include timeshares). The law requires governing documents to be filed, provides certain meeting notice requirements and access to budget and membership lists. The law also requires DCA to collect specific data on HOA complaints, which are compiled and shared with the Governor and the General Assembly each year.

For more education or information on HOAs, please visit our [HOA education webpage](#).