

Citizen Association Services Committee (CASC) Report 17 February 2011

Chair: Don Hinman

This CASC report focuses on creating awareness of two entities of significance for HOAs and Condos: the Common Interest Community Board (CICB) and the Community Associations Institute (CAI) and in particular its Virginia Legislative Action Committee (VALAC).

1. Proposed CICB rule on filing complaints against Associations. The CASC chair repeated an announcement from the last membership meeting about a new rule proposed by Virginia's Common Interest Community Board. The new rule establishes a process for HOA or condo residents to file complaints against their association to the CICB. The Federation's February newsletter covered the topic. The CASC chair distributed a flyer on the topic (available at the Federation CASC website) and also passed around a copy of the proposed rule that can be accessed from the Virginia Townhall website:

<http://www.townhall.virginia.gov/L/viewstage.cfm?stageid=5362&display=documents>

HOA and Condo Boards should pay attention to this proposed rule and to be ready to adopt certain complaint-handling procedures if the rule takes effect.

2. CAI - VALAC. The CASC chair wanted to make residents of HOAs and condos aware of the Virginia Legislative Action Committee of the Community Associations Institute (VALAC – CAI). The CASC Chair distributed at the meeting a flyer which briefly explains the VALAC (available at the CASC website), and which lists the website at the bottom (www.cai-valac.org). Information about legislation important to Associations can be found at the VALAC website, including a tracking chart used to track progress on Virginia General Assembly bills that the VALAC views as important to the wellbeing of HOAs and condos. A recent example of the tracking chart was circulated to those present at the meeting to give attendees an idea of the specific laws that VALAC supports and opposes.

3. National lobbying by CAI saves transfer fees for community associations. Also distributed to attendees at the meeting was Washington Post article from February 11, 2011. The article explained that the Federal Housing Finance Agency (FHFA) reversed a provision of a proposed rule that would have prohibited HOAs and Condos from collecting transfer fees when homes are sold in their communities. Many associations have authority for “deed-based transfer fees” in their governing documents. This FHFA rule would have stripped away that authority, thus eliminating an important source of revenue for HOAs and Condo Associations. The lost revenue would likely have to be made up by raising the regular association assessments. The rule would also have cut off access to most mortgage financing to people wanting to buy homes in communities with deed-based transfer fees, making sales of those homes very difficult. The reversal of this rule was due to national lobbying by the CAI. The full text of the article can be found at the CASC website.