

Attempts Already Underway to Undermine CAM Licensing Reform and HOA Office Sunset Review

Here we go again. Major opportunities to reform HOA governance and enforce HOA home owner's rights in 2020 and the special interest are out to kill these efforts. DORA (Department of Regulatory Agencies) conducted public stakeholder meetings on CAM (HOA property manager) licensing as directed by the Governor in his veto of a previous Bill to continue this law. The Governor was right in that it was a licensing law written with too much industry influence and absent of all home requests for reform and accountability. DORA strongly heard from the public about a need for transparency and documentation with fees, more oversight with financial management and demands for more stringent requirements on accountability when a CAM violates State HOA law or an HOA's governing documents. Specific mention at these meetings was the need for CAMs providing home sellers a detailed invoice when paying HOA home sales transfer fees vs the current pay on demand, no questions asked, no explanation of the charges and if not paid you can't sell your home. Another issue was to promote the use of the market place for transfer fee services to save home owners hundreds of dollars per home sale. Specifically, there are service providers that complete for \$50 what the PMC charges \$350+ with additional savings of hundreds of dollars in Title company related services charged to the home seller.

Even before the final stakeholder report is issued the special interests of the CAM industry are objecting to transparency and having to provide any home seller with a detailed invoice to support a demand for payment of transfer fees. What have they to hide? It is simple, a detailed invoice would surface that transfer fee charges are not only excessive but are a duplication of charges for services already paid for with HOA dues and thus not justified. These same lobbyist are also rushing forward to halt any ideas concerning promoting the market place/competition to complete transfer fee services. In particular, any requirement for HOAs to apprise home owners of alternative and less costly means to meet transfer fee type services will be fought. A suggestion to create a State HOA data repository that would allow home owners, Realtors and service providers to complete transfer fee services easier and at a very low cost will be objected to with wild exaggerations of cost and privacy considerations. Studies indicate the opposite supported by hard evidence. Lobbyist actions of the CAM industry once again surface the corruption with this fee to fleece home owners of millions.

Then the Sunset Review of the State's HOA Office is under attack in an attempt to stop the implementation of the recommendation to create a dispute resolution process within this Office.

This is a big deal and need for home owners supported by a previous 2013 HOA Study, thousands of complaints received by the State, highly vocal home owners at the stakeholder meeting and by input received by DORA in their review. The HOA legal community objects as this takes the process out of court and into a simple venue for dispute resolution that is accessible and

affordable to the home owner. Lawyers love court and home owners don't pursue their rights in court due to the high cost. The recommendation would implement a system recently enacted for home owner complaints in mobile home communities and that which was used for CAM complaints. These processes are highly cost effective for the State (no new taxpayer dollars) and won't add any measurable costs to, in this case, home owners, HOAs or CAMs. The process is easy to implement as the experience to manage the program already exists within DORA and the Office exists with staff, furniture, office space, computer equipment, web site to receive complaints, etc.: no measurable capital investment required. Costs to implement are covered via one-time HOA registration fees of about \$25-30 first year and \$10 thereafter. Cost per home owner equals pennies. Savings in legal costs to home owners and HOAs hundreds of thousands of dollars.

Greed by the PMC and HOA legal industry is something we've seen before. The contradiction to the casual observer is why would an industry that in Colorado hauls in several billion dollars from home owners yearly be so objecting to help the very people who put food on their plate.

Gordon Gekko (Wallstreet movie) had it right when describing the motive of these folks who object to HOA reform: in their mind "greed is good". The question now is whether our legislators will stand up for home owners or the Gordon Gekko's of the world.