

Just a reminder of the [upcoming DORA stakeholder meetings](#) concerning the continuation and role of the State's HOA Office and an evaluation of the expired HOA property manager (CAM (Community Association Manager)) licensing program. You can sign up for in-person attendance or participation in a webinar (follow the meeting via your personal computer). There is also a survey to be taken on HOA issues. [The details are on the DORA web site.](#) You can email your comments to: dora_division_realestate@state.co.us

Please express your opinions concerning these topics. We understand the previous Sunset Review Report on CAM licensing mostly ignored home owner input and spurred frustration on the part of home owners. Your comments in email will provide an audit trail of input to DORA. Our comments are below on these issues for your review and suggestions for input. Your participation is appreciated.

Comments to DORA from the Colorado HOA Forum, (see below)
www.coloradohoaforum.com Email: coloradohoaforum@gmail.com

Email DORA your comments concerning their HOA property manager licensing stakeholders review: dora_division_realestate@state.co.us with Subject Line: Comments on HOA Property Manager Licensing

HOA Property Manager (PM) Licensing Law Stakeholder Review

The current law is weak on consumer protections and strong on ambiguity and industry input. We suggest the following changes at no cost to either the taxpayer, HOA or businesses. Our suggestions are targeted to mitigate abusive practices and promote the competency of the profession, provide a venue for resolving disputes between home owners property management companies, provide relief for small companies in gaining licensure; improve the DORA web site, and improve and expand PM rules so they are not ambiguous, better define accountability, and are written to be understood by home owners.

Recommend the below to the fullest degree possible be directly in legislation to ensure it is implemented and not left to a rule making process by DORA that is responsible for much of the lack of consumer protections and ambiguities in the law.

- a. Full disclosure of all fees assessed home owners including the [HOA Home Sale Transfer Fee](#) that include a detailed receipt of what work was performed, when, and a line item cost. A statement on the receipt that indicates “no charges have been previously paid for with HOA dues such as charges for HOA documentation and a copy of the home sellers final billing that indicates all financial obligations of the home seller to the HOA”. An additional statement will be included on any HOA Home Sale Transfer Fee that “charges are assessed to home sellers for extraordinary and unique expenses incurred by the management in meeting requirements of the home sale”.
- b. Property managers must be limited to the number of home for which they are responsible.
- c. Smaller property management companies servicing a total of 25 or less homes will be provided with reduced fees to gain a license including less costly educational courses tailored to and proportionate with the limited services provided but not relieving them of compliance with licensing rules, HOA governing documents, and State HOA law.
- d. Property managers will be required to specifically implement financial internal control procedures over HOA finances with direct mention of what this entails.
- e. All add-on or supervisory oversight charges added to HOA contracts with vendors by the property management company must be justified by indicating only a person with specific credentials and experience with the subject matter of the contract will provide such services and that such services are not already provided via the contract with the HOA.
- f. All property manager company contracts with the HOA will include the requirements of item “a” above.
- g. A specific rule in the law that indicates it is a violation of the licensing law for any property manager to participate in or be aware of any violation of State HOA law or the HOA’s governing documents
- h. A property manager is required to apprise the HOA Board of any violations of the HOA’s governing documents or State HOA law in writing and recommend corrective action. When corrective action is not followed the property manager will inform DORA.
- i. Improving the user friendliness of the DORA web site to allow easier complaint filing and status tracking of complaints and providing on-demand reports on property manager violations.
- j. All non-legally-required fees for services be identified as optional in the property manager’s contract with the HOA.
- k. Property managers must post the most current version of all HOA governing documents on the HOA web site or otherwise make readily accessible upon request.

HOA governing documents access and unnecessary property manager fees in providing such documents to home owners

A requirement in property manager licensing establishes a rule that all HOA documentation be posted in their most current form on the HOA web site or otherwise be accessible to home owners at low or no cost: no costs should be involved (other than reproduction and mailing) to any requesting party including Title Companies as this service is already paid for with HOA. No charging

for documentation and a final billing, statement indicating the home owner's financial status with the HOA, in the home closing process. (also see above discussion on fees). Also supporting this demand is SB 11-234 that only allows charging home sales transfer fees for unreimbursed costs incurred by the PM that are unique and extraordinary to the sale of a home. Any fee assessed a home owner to provide HOA documentation must be accompanied by a receipt with line item cost and a statement that such charges are related to special processing requests such as special delivery and/or reproduction costs and have not previously been paid for with HOA dues.

Expand licensing to Time Share Properties

The HOA Property Manager Licensing Law (CAM licensing) excluded time-share properties. This was no small exclusion and made without justification and forfeited home owner protections. Property management contract and fees assessments can easily be estimated at several hundred millions of dollars each year with no oversight and providing no venue for dispute resolution (other than court) as was case under HOA property manager licensing. The liability to the public is every bit as great with time shares and the potential for problems is even greater with the profile of owners of units (weeks) consisting of many out of state and temporary people relying on the integrity of the management companies and not being able to challenge excessive fees and assessments due to geographic and time constraints when living outside the state. There seems to be an encyclopedia of fraudulent activities and financial losses experienced by time share owners and with no oversight of the large industry consumers will continue to be harmed. This exclusion should end.

Inform the public concerning the existence of the Licensing Program, its' purpose, and how to file complaints and concerns

If it was not for the existence of our organization and informing our members (and asking them to talk to others) on the existence of the licensing program it would be more or less unknown to home owners. Of course, property managers are aware of the law but the law was written for consumer protections and that can't happen without knowledge of the existence of the law, how it functions, and how it can provide consumer protections. We find that folks don't understand the limits nor do they understand how to use the law to pursue their rights. The existence of a DORA web site in and of itself notifies no one. The misinformation concerning this law in the media, by legislators, by Realtors, government officials and others are widespread. Suggest funds collected in licensing fees be used to advertise the existence of this Office and its' purpose.

DORA Web Site

The DORA property manager licensing web site is difficult to use. Filing a complaint in convoluted with no ability to confirm and track the status of a complaint. The site should provide an option to enter a CAM name and identify all penalties, fines, and revocation of licenses with the name. A report on all penalties, fines, and license revocations for all active and inactive CAMs should be available upon request. Navigation of the system in general needs to be improved to minimize steps in identifying the desired function to be performed and repetitive items from one page filled in on the next.

Penalties, fines, license revocation

Punitive action authority should be expanded to direct a CAM to complete a task to correct a violation. For example, if a CAM was denying a request for access to HOA records by an HOA Board or home owner DORA could direct the release. This can be particularly important when changing CAMs and records transfers to the new CAM are delayed or denied.

Improve Upon the Communication between DORA and Home Owners

Home owners complain about the curt, abrupt, and long response times in communicating with DORA: this needs to be improved.

Educational Courses Approved by DORA

Any mention in the licensing law of any educational course offering should be removed other than referring the reader to visit the DORA web site for a list of available courses to fulfill educational requirements. The DORA web site should list the cost of each course and if such price requires a membership or other commitment to receive the listed price.

All courses listed must be reviewed each year to ensure the most current legislation and other laws are included in the content and no course receiving a review approval will be listed on the web site.

Comments Concerning the Governor's Veto

The Governor's veto of a Bill to continuing the licensing program was based in good part of his recognizing the law didn't provide adequate consumer protections to justify licensing, the cost of licensing and educational requirements might hinder a person from entering the profession and there were unnecessary added costs to HOAs, home owners and businesses. Note, the above comments address the Governor's concerns: more defined and comprehensive accountability, relief for small business, addressing practices that cost consumers such as excessive and unjustified fees and assessments with explicit requirements to justify and document fees and preclude the duplication of billing for services already paid for via HOA dues and including processes, procedures to address many of the major consumer complaints received by the State HOA Office and DORA such as records requests and unjustified and excessive fees related to gaining such records, and noting in any Stakeholder Report to the Governor/legislature that there is no basis for contending that any HOA, business or home owner will experience any additional cost (or any impacting cost) as a good number of CAMs are already fulfilling educational and background checks and the cost of any licensing requirements are but a small, nearly immeasurable cost to complete CAM contracts and duties. There is also no evidence that licensing, except in the case of very small CAMs as addressed above, has chased employers away from the profession.

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HOA Property Manager (PM) Licensing Law Sunset Review

The current law is weak on consumer protections and strong on ambiguity and industry input. We suggest the following changes at no cost to either the taxpayer, HOA or businesses that are targeted to mitigate abusive practices and promote the competency of the profession, provide a venue for home owner dispute investigation and resolution with property management companies, provide relief for small companies in gaining licensure; improve the DORA web site, and improve and expand PM rules so they are not ambiguous and define accountability with specific requirements.

- l. Full disclosure of all fees assessed home owners including the [HOA Home Sale Transfer Fee](#) that include a detailed receipt of what work was performed, when, and a line item cost. A statement on the receipt that indicates “no charges have been previously paid for with HOA dues such as charges for HOA documentation and a copy of the home sellers final billing that indicates all financial obligations of the home seller to the HOA”. An additional statement will be included on any HOA Home Sale Transfer Fee that “charges are assessed to home sellers for extraordinary and unique expenses incurred by the management in meeting requirements of the home sale”.
- m. Property managers must be limited to the number of homes for which they are responsible.
- n. Smaller property management companies servicing a total of 25 or less homes will be provided with reduced fees to gain a license including less costly educational courses tailored to and proportionate with the limited services provided but not relieving them of compliance with licensing rules, HOA governing documents, and State HOA law.
- o. Property managers will be required to specifically implement financial internal control procedures over HOA finances with direct mention of what this entails.

- p. All add-on or supervisory oversight charges added to HOA contracts with vendors by the property management company must be justified by indicating only a person with specific credentials and experience with the subject matter of the contract will provide such services and that such services are not already provided via the contract with the HOA.
- q. All property manager company contracts with the HOA will include the requirements of item “a” above.
- r. A specific rule in the law that indicates it is a violation of the licensing law for any property manager to participate in or be aware of any violation of State HOA law or the HOA’s governing documents
- s. A property manager is required to apprise the HOA Board of any violations of the HOA’s governing documents or State HOA law in writing and recommend corrective action. When corrective action is not followed the property manager will inform DORA.
- t. Improving the user friendliness of the DORA web site to allow easier complaint filing and status tracking of complaints and providing on-demand reports on property manager violations.
- u. All non-legally-required fees for services be identified as optional in the property manager’s contract with the HOA.

*** Dispute Resolution between HOA home owner and HOA**

[White paper on implementing dispute resolution in State HOA Office](#)

Avoid court, cut costs to home owner and HOA in dispute resolution, mediation simply doesn’t work and adds time and cost to resolving problems (Fort Collins study indicates less than 15% of complaints pursued under mediation actually go through mediation and get a decision), this should be administered by State HOA Office, no taxpayer funding required, only applies to violations of State law and an HOA’s governing documents and not felonies or recovery of financial damages.

The Sunset Review examining whether the Office should continue must include an expanded mission statement to include overseeing an out of court binding dispute resolution process for home owner complaints with their HOA. The process must be affordable and accessible and authoritative and enforceable concerning investigating and rendering decisions. The process should be and can be paid for with HOA registration fees and minimum complaint filing charges with no/no measurable costs to HOAs or home owners. This would support the suggestion to implement such a process as recommended in the State HOA 2013 Study. Please read White Paper on link above.

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