

Who or What is the Community Association Institute (CAI) & HOA Reform

Homeowners Associations (HOAs) are comprised of three entities: home owners, HOA Boards and their legal counsel, and the property management company (PMC). Problems can arise from any of these but for those who follow HOA issues the involvement of PMCs can be most problematic. PMCs affect HOA governance with their direct involvement in operational and financial matters and through their trade organization, the Community Association Institute (CAI), which has undue influence in HOA legislative activities that craft HOA law. For decades the sole source for Homeowners Association (HOA) information for the media and the State Legislature has been the CAI. Why not? Their name implies they represent the concerns of community associations and home owners: aka HOAs. Legislators "trust" this organization to represent home owners and citizen interests but most have no idea who or what they represent. Legislators actually think their membership and funding comes from HOA home owners and HOAs: WRONG. They have trusted this organization for decades and have allowed them to set the rules in HOA governance and financial management. Yes, they craft the legislation that sets the rules for their industry and interests and ensure through their actions that HOA State law and HOA governing documents are highly enforceable from the HOA Board's and PMC perspective and very weak for home owners. Due to this close relationship between the CAI and legislators across the country, HOA legislative reform has been very difficult and the few Bills that have passed have been watered, are more cosmetic than effective, and in no way help with enforcing home owner's right

If you visit CAI or their legal affiliate web sites and read their literature you would think they represent HOA home owner interests. Wrong! Their membership is mostly comprised of PMCs and lawyers. The CAI is an organization that derives most of its' income from selling their educational classes. Nothing wrong with this but read below on how they commingle this business with legislation. Then there is CAI "the trade organization" for PMCs. Not hing wrong with this either except that they have ensured all State HOA laws aren't written to hold PMCs accountable for their actions. Then there is the connection between the CAI and HOA lawyers who have ensured through their legislative influence that no binding, affordable, and accessible out of court dispute resolution processes is available to resolve HOA home owner complaints. This of course ensures HOA legal enforcement from the home owners perspective against abusive HOA Boards and PMCs remains in our litigious, time consuming, pay-to-play court system making HOA law mostly ineffective.

The CAI and the entities they represent and work with in State legislatures have thwarted HOA legislative reform for decades. Recent examples: killing an HOA Transfer Fee Bill that would have limited the fee and required explanation and justification of the fee (this costs home owners in Colorado \$10 million a year); opposition of a Bill that would have required HOA home owners to approve the use of HOA funds prior to entering into expensive legal actions; opposing an out of court binding dispute resolution process for home owner complaints (leaving home owners with only our pay to play court system for the most minor dispute resolution); their involvement in writing Colorado legislation to license property managers resulted in using such legislation to promote their sales of educational courses

and hence drive up the cost of such required educational courses for property managers; opposing the limiting HOA fees, fines, and administrative and legal fees on HOA debt; opposing term limits on Board members when others are available to serve; obstructed legislation on protections of home owners against liens and foreclosure for HOA debt; attempts to promote legislation that would expand the independent authority of Boards in governing HOA operations (without home owner approval); and the list goes on and all anti-home owner. You can blame the CAI for the lack of HOA reform with their legislative intervention but much blame also goes to our political process that makes money the name of the legislative game and places unfunded citizen groups at a disadvantage.

The CAI and its constituents are the most anti HOA home owner group in the nation and in Colorado they most certainly are a wolf in sheep's clothing and our legislators and the media are only beginning to realize their role. The beginning of HOA legislative reform and improved governance thus begins with dispelling the belief that the CAI represents home owners; revealing their history and actions in HOA legislative reform; curtailing the CAI's influence with our Government agencies, media, and legislators; and having HOA home owner groups recognized in our legislature and in the media to offer a home owner centric perspective to improving HOA governance.