



Complaints Against Community Association Managers at the State Level

There are nine states¹ that have adopted some form of regulation of community association managers (CAMs) and six² of these states regulate community association management as a distinct profession. This report focuses on four of the six states that regulate CAMs as a distinct profession. The statistics below were provided from a variety of sources, such as Sunrise Review estimates, Regulatory Departments and Ombudsman Offices. The statistics reflect the amount of complaints a regulatory body receives that relate to community association managers.

Colorado (est. 1,250 CAMs³)

From January 1, 2013, to December 31, 2013, the HOA Information Center received 1,248 complaints from 327 complainants via mail, phone, email, in-person submission, and the Center's Website. The Complainants were homeowners and others involved with HOAs. Complaints that specifically mentioned managers as either the cause or responsible party account for 504 (40.4%) of all those received. Enforcing covenants and rules was the most contentious matter for complainants. Other issues include conflicts of interest and failure to produce documents, which were commonly associated with allegations of no bidding on contracts taking place, or vendor contracts being fulfilled by affiliates of a manager.⁴

In 2012 the HOA Information Center received 576 complaints. The majority of the 576 complaints received pertained to following governing documents, performing maintenance, general allegations of mismanagement and transparency, homeowner communications, production of HOA records, and accounting issues. Many of the complaints in these categories are notable for their severity. Of the complaints received, most were directed toward HOAs in general and boards of directors. Complaints that specifically mentioned managers as either a cause or responsible party accounted for 27% of all those received.⁵

¹ Nine states: Alaska, California, Colorado, Connecticut, Florida, Georgia, Illinois, Nevada and Virginia.

² Six states: Connecticut, Colorado, Florida, Illinois, Nevada and Virginia.

³ Colorado Division of Real Estate (DORA). *2012 Sunrise Review: Common Interest Community Association Managers*. Estimate Provided by CAI Taskforce: http://www.caionline.org/govt/advocacy/LAC/LegislativeYearbookBills/2012_DORA_Report.pdf

⁴ DORA, HOA Information Resource Center. *2013 Annual Report*.

[http://cdn.colorado.gov/cs/Satellite?blobcol=urldata&blobheadername1=Content-Disposition&blobheadername2=Content-Type&blobheadervalue1=inline%3B+filename%3D%222013+Annual+Report+from+the+Colorado+HOA+Information+and+Resource+Center+%28double-](http://cdn.colorado.gov/cs/Satellite?blobcol=urldata&blobheadername1=Content-Disposition&blobheadername2=Content-Type&blobheadervalue1=inline%3B+filename%3D%222013+Annual+Report+from+the+Colorado+HOA+Information+and+Resource+Center+%28double-sided%29.pdf%22&blobheadervalue2=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=1251938270296&ssbinary=true)

[sided%29.pdf%22&blobheadervalue2=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=1251938270296&ssbinary=true](http://cdn.colorado.gov/cs/Satellite?blobcol=urldata&blobheadername1=Content-Disposition&blobheadername2=Content-Type&blobheadervalue1=inline%3B+filename%3D%222012+Annual+Report+of+the+HOA+Information+and+Resource+Center.pdf%22&blobheadervalue2=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=1251849974502&ssbinary=true)

⁵ DORA, HOA Information Resource Center. *2012 Annual Report*.

<http://cdn.colorado.gov/cs/Satellite?blobcol=urldata&blobheadername1=Content-Disposition&blobheadername2=Content-Type&blobheadervalue1=inline%3B+filename%3D%222012+Annual+Report+of+the+HOA+Information+and+Resource+Center.pdf%22&blobheadervalue2=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=1251849974502&ssbinary=true>

Florida (approx. 17,000 CAMs)

For fiscal year 2012-2013 the Florida Department of Business and Professional Regulation (DBPR) received 741 complaints and of those found 385 legally sufficient. A complaint is legally sufficient if it contains ultimate facts that show that a violation has occurred. In order to determine legal sufficiency, the department may require supporting information or documentation.⁶

For fiscal year 2011-2012, DBPR received 816 complaints and found 420 to be legally sufficient.⁷

Illinois (approx. 1,600 CAMs)

The prosecuting attorney for the Department of Financial and Professional Regulation (DFPR) reported on the period from July 1, 2013, through September 30, 2013, that 35 complaints had been opened. Out of those complaints 7 had been closed at intake and 28 assigned to investigations. Out of the 28, 7 were closed at investigations.⁸

During the April 1, 2013, through June 30, 2013 the prosecuting attorney had 60 total cases, 36 were in investigations and 24 in prosecutions.⁹

Nevada (approx. 650 CAMs)

According to the Common-interest community and Condominium Hotels Compliance Section of the Nevada Real Estate Division there were 166 total statement of facts (complaints against community association managers) opened and 131 closed. For fiscal year 2012 there were 129 statement of facts opened and 93 statement of facts closed. Standards of practice for community managers and compliance with statutory standards were the top alleged issues in these cases. There were 142 intervention affidavit cases (complaints against board of directors or residents) opened in fiscal year 2012 and 117 closed. There were 262 intervention affidavit cases opened and 188 closed in fiscal year 2013.¹⁰

Virginia (179 standard management companies and 311 provisional certificate holders¹¹)

The Virginia Department of Professional and Occupational Regulation (DPOR) oversees the licensing of Common Interest Community (CIC) Managers. In 2012 the Department revoked five Provisional Management Company Licenses. The CIC Board found each Provisional Management Company failed to submit evidence of annual proof of bonding/insurance, as required by law and regulation, and failed to respond to investigators. During the November 27, 2012 - November 25, 2013, reporting period, the Office of the Common Interest Community Ombudsman (Office) received a total of 268 complaints.

⁶ DBPR, *Annual Report Fiscal Year 2012-2013*. http://www.myfloridalicense.com/dbpr/os/documents/ANNUAL_REP_FISCAL_2012-2013_FINALRevision2.pdf

⁷ Fla. DBPR, *Annual Report Fiscal Year 2011-2012* <http://www.myfloridalicense.com/dbpr/os/documents/PROAnnualReport11.12.pdf>

⁸ Ill. DFPR, Community Association Manager Licensing and Disciplinary Board. *October 15, 2013, Meeting Minutes*. <http://www.idfpr.com/PROFS/Meetings/Minutes/CAMMtgMinutes101513.pdf>

⁹ Ill. DFPR, Community Association Manager Licensing and Disciplinary Board. *July 16, 2013, Meeting Minutes*. <http://www.idfpr.com/PROFS/Meetings/Minutes/CAMMtgMinutes07162013.pdf>

¹⁰ Nevada Real Estate Division, Common-Interest Community and Condominium Hotels Compliance Section. *2013 Fiscal Year End Report*. <http://red.state.nv.us/CIC/meetings/2013/august/DIVISION%20BUSINESS/COMPLIANCE%20SECTION%20FISCAL%20YEAR%20END%20REPORT.pdf>

¹¹ DPOR, *Total Current Regulant Population as of March 1, 2014*. [http://www.dpor.virginia.gov/uploadedFiles/MainSite/Content/Records_and_Documents/REG_POP\(1\).pdf](http://www.dpor.virginia.gov/uploadedFiles/MainSite/Content/Records_and_Documents/REG_POP(1).pdf)

6.5% of the complaints related to management companies as being at fault or in violation of common interest community laws or regulations. However, complaints concerning management companies should be submitted through the standard DPOR complaint process rather than through the Office. The 6.5% represent complaints submitted inaccurately to the Office.¹² Department statistics provided by DPOR's CIC Board Administrator list 36 complaints filed against standard management companies and 20 against provisional certificate holders in 2012. In 2013 the CIC Board counted 19 complaints against management companies and 1 complaint against provisional certificate holders. The Department has received 135 total complaints since 2009.

¹²DPOR, Office of the Common Interest Community Ombudsman. *Annual Report 2012-2013*
<http://www.dpor.virginia.gov/uploadedFiles/MainSite/Content/News/CIC%20Annual%20Report%202012-13.pdf>