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August 01, 2014 - Owners Developers & Managers

Wellesley, MA CAI members across the country are visiting with their representatives in Congress to advocate for community associations during the “CAI August Recess Campaign.” The three specific issues CAI members are advocating include, access to mortgages for buyers in community associations, fairness in access to federal resources for community associations in the wake of a Presidentially declared disaster, and preservation of the community association model of governance as it relates to neighborhood guidelines and HAM radio equipment. To engage in the “CAI August Recess Campaign” or learn more about these issues, visit www.caionline.org/advocacy.

Mortgage Finance - Why It Matters to Your Community

Two legislative proposals advancing in Congress will repeal the congressional charters for Fannie Mae and Freddie Mac and establish a new mortgage finance system. This threatens association homeowner access to mortgage credit while likely subjecting associations to multiple community association standards set individually by mortgage lenders and private mortgage insurers.

The current national standard for community associations has reduced complexity and duplicative work by associations when providing information to mortgage lenders. Eliminating community association standards will drive up association costs, create confusion, and lead to impractical requirements that interfere with the responsibilities of association boards.

Fannie Mae and Freddie Mac have developed lender standards for community associations. Continuation of Fannie Mae and Freddie Mac community association standards is the critical issue at stake for community associations and association homeowners.

CAI calls on the Administration and Congress to ensure continuity of community association standards in a new mortgage finance system so association homeowners have access to mortgage credit and continue to benefit from national, evidence-based community association standards.

HAM Radios – What it Means to Your Community

In 1985, the Federal Communications Commission ruled that municipal ordinances may not unreasonably restrict or interfere with amateur radio communications. The FCC excluded community associations from the ruling, writing that “...our ruling herein does not reach restrictive covenants in private contractual agreements. Such agreements are voluntarily entered into by the buyer or tenant when the agreement is executed and do not usually concern this Commission.”

On June 26, H.R. 4969 The Amateur Radio Parity Act of 2014 will reverse the 1985 ruling (FCC PRB-1), overturning community association covenants and architectural standards that apply to the installation of amateur radio communications equipment and antennas. CAI opposes unnecessary federal intervention in the operations and governance of community associations.

Community associations work best when residents come together to establish and enforce reasonable rules and policies to govern the association. H.R. 4969 is a misguided attempt to circumvent community rules and take decision-making authority away from community association homeowners. Not only is this unnecessary, it compromises the underlying concept of community association governance, which is at its core based on private contractual obligations of the community's homeowners.

Community associations do not need an Act of Congress to work through differing points of view that are simply best settled by neighbors talking to each other. Members of the House of Representatives should contact Rep. Kinzinger and Rep. Courtney to let them know that H.R. 4969 is bad public policy and that they will oppose any substantive legislative action to advance the bill through the Congress.

Fairness in Disaster

Recovery – What it Means

to Your Community

H.R. 2887 and S.1480—Introduced in the U.S. House of Representatives and U.S. Senate, this legislation will allow condominium and cooperative homeowners to use federal disaster assistance to repair uninsured damages to common elements.

In May, the Federal Emergency Management Agency (FEMA) released a congressionally-mandated study on disaster assistance for condominium and cooperatives. FEMA reiterated the agency's determination that community associations are business entities and thus ineligible for most forms of federal disaster response and recovery assistance.

FEMA classifies community associations as businesses, making these neighborhoods ineligible for federal recovery assistance when disaster strikes. Community associations are routinely denied federal help when recovering from major natural disasters. This means that community association neighborhoods are treated very differently from non-association neighborhoods when a major natural disaster strikes. CAI supports a change in federal law to allow community associations to receive federal disaster assistance.

Adding to the confusion is that FEMA has granted community associations federal disaster funding in the past. These communities each had the resources to endure a lengthy application and appeals process, which in many cases ended years after the actual disaster occurred. The vast majority of community associations do not have the resources to wait years for FEMA to provide critical assistance that should be made available in the immediate aftermath of a disaster. A consistent federal disaster policy that promotes recovery in community association neighborhoods is necessary to ensure that entire communities emerge stronger and more resilient from natural disasters.

CAI members support legislation to amend the Robert T. Stafford Disaster Assistance Act to allow community associations to receive disaster response services under the Public Assistance Program, which funds state and local disaster response activities. The Public Assistance Program responds to direct threats to public safety through removal of downed trees and debris obstructing roads and waterways, removal of disaster-related debris, and facilitating the repair of critical community infrastructure.