

Did You Catch the News?

New Laws For Common Interest Community Associations



Common Interest Community Associations Can Collect Six Months of Assessments in Foreclosure Situations

[Subsection g-1](#) was added to Section 18.5 of the Condominium Property Act. It generally allows common interest community associations to collect up to six months of assessments from the purchaser, other than the mortgage lender, at a foreclosure sale. The six months of assessments is measured back from the date of the “institution of an action to enforce the collection of assessments.” It is important for associations to initiate such an action by pursuing collections in order to be entitled to collect the assessments.

This new law is effective immediately so please make sure that any closing letters or paid assessments letters reflect what the association is entitled to receive. For more information about Section 18.5(g-1) of the Condominium Property Act or if you would like assistance preparing a closing letter or paid assessment letter, please contact our office.

Common Interest Community Association Act is Law

On July 29, 2010, the Governor signed the [Common Interest Community Association Act](#). This new Act applies to all common interest communities other than condominiums and cooperatives. Additionally, associations with 10 units or less or annual budgeted assessments of \$100,000 or less are exempt from the Act.

There are many similarities between the Common Interest Community Association Act and the Condominium Property Act such as:

- Record keeping and producing requirements.
- Authority to levy fines after notice and an opportunity to be heard.
- Topics which a board can discuss in a closed meeting.
- Notice requirements for meetings.
- Procedure for members to reject a budget increase greater than 115% of the previous year's assessments.
- Developer turnover responsibilities.
- Property manager fees for collections.

The Common Interest Community Association, however, is different from the Condominium Property Act in several significant ways including:

- It does not prohibit associations from having more than one class of membership if the association's governing documents allow for more than one class.
- It has a provision similar to 22.1 in the Condominium Property Act but puts the burden on the board, rather than the owner, to produce the documents to a prospective purchaser.
- It has a special provision for 55+ communities which allows the association's declaration to limit ownership, rental or occupancy of a unit to a person 55 or older without violating the Illinois Human Rights Act.
- Unlike the Condominium Property Act, it does not put a ceiling on the percentage of interest necessary to approve an amendment to the declaration.

For more information about these new laws which were recently passed by the Illinois legislature, please contact:

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