

# COMMUNITY ASSOCIATION MANAGER CREDENTIALING

## Policy

*The Community Associations Institute (CAI) encourages the national certification of community association managers. In states that propose mandatory regulation of community association managers, CAI will support a regulatory system that incorporates adequate protections for homeowners, mandatory education and testing on fundamental management knowledge, standards of conduct, and appropriate insurance requirements. CAI opposes the regulation of community association managers as real estate brokers, agents or property managers.*

*To ensure adequate consumer protection and to obtain CAI support for the adoption of legislation regulating community association managers, the following provisions must be included in the legislation:*

### **1. Require an Objective Examination Which Tests Community Association Management Knowledge**

*\* If community association managers are to be regulated, they must be tested on their knowledge of community association management, not a different profession's body of knowledge or an exam based solely on state-specific law.*

*\*It is preferred that states use the examination for the Certified Manager of Community Associations (CMCA®) credential as the objective examination.*

*\*For states that want to test state-specific law, a separate section can be added to the CMCA examination.*

*\*If states reject the CMCA examination option, then there must be an independent community association management examination which shall be based upon a role delineation study, and standards of reliability and validity.*

*\*Adding community association management questions to a property management or real estate brokerage examination is unacceptable.*

### **2. Contain an Appropriate Definition of a Community Association Manager**

*\*If the term "community association manager" is not included or defined properly in legislation, community association managers may be required to become real estate brokers, property managers, or members of other professions.*

*\*"Community Association Managers" must be distinguished from brokers and property managers in any legislation.*

*\*The ideal definition is included in CAI's model legislation.*

### **3. Require Relevant Community Association Management Education as a Prerequisite to Sitting for Examination**

*\*Some type of community association management coursework must be required before any manager takes the examination.*

*\*Preferably, this educational requirement will be M-100.*

- \*A general course in the fundamental issues of community association management is the minimum requirement.*
- \*A real estate brokerage course or a property management course would not be acceptable*

**4. Require Relevant Continuing Education Requirements**

- \*Continuing education must be mandated.*
- \*The continuing education requirements must specifically relate to community association management or topics that assist in a manager's professional development (e.g. accounting, office administration, public administration, etc.).*
- \*At least some portion of the continuing education must cover state-specific law governing the operation of community associations.*

**5. Adherence to Basic Standards of Professional Conduct and an Enforcement Mechanism for the Standards**

- \*Community association managers must be required to follow professional standards.*
- \*The Standards of Professional Conduct created by the National Board of Certification for Community Association Managers (NBC-CAM) may be utilized as the foundation for a state's standards. However, the elements of the standards must be incorporated into any state ethical code.*
- \*There must be some type of enforcement of the ethical standards. Due process provisions must also be present in the provision. (Note: State procedures must provide at least the minimum due process provided by NBC-CAM's enforcement procedures.)*

**6. Any Governance Board Must Primarily Consist of Community Association Managers.**

- \*If a state creates governing boards to govern professional regulatory programs, then a board created to oversee the regulation of community association managers must consist primarily of community association managers.*
- \*Any community association manager regulatory program should be administered by an entity that regulates occupations.*
- \*Unless a separate regulation and separate governing board are created, the Real Estate Commission of a particular state should not govern the community association manager regulatory program*

**7. Contain Separate Program Administration if Regulated by an Existing State Agency that Regulates Other Professionals**

- \*The community association manager regulatory program must be administered by an entity that regulates occupations.*
- \*Unless a separate regulation and separate governing board are created, the Real Estate Commission of a particular state should not govern the community association manager regulatory program.*

**To enhance consumer protections, CAI strongly encourages legislation that contains the following provisions:**

**1. Grandfather Provisions**

\* Grandfather provisions typically permit community association managers currently practicing in the state, to become licensed and/or regulated without having to take the prerequisite educational course or the examination.

\* If a grandfather provision is present in the legislation and is contingent upon community association managers having already obtained a particular credential or designation from a trade association or other entity, an analysis shall be made of all related associations or entities pertinent designations and credentials. All designations and credentials that have substantially similar requirements will be included in the legislation.

\* CAI strongly supports a grandfather provision. However, the absence of such a provision will not prohibit CAI/LACs from supporting the legislation.

**Because consumer protection is of extreme importance, if any of the following provisions are contained in the legislation CAI will strongly oppose the legislation:**

**2. No Experience Requirement**

\* The community association manager license, credential, certificate, or any other designation mandated by the legislation should be granted to those entering the profession. There should be no prerequisite license, such as a real estate salesperson's license.

**The following provisions are deemed to be unacceptable provisions in legislation that regulates community association managers. In the event one or more provisions are present in the legislation, CAI/LACs will not support the legislation:**

**1. Requirement that community association managers work under a real estate broker**

\* Legislation may distinguish community association managers from property managers and real estate brokers. However, requiring community association managers to work under real estate brokers or property managers is inappropriate.

\* Real estate brokers and property managers do not have the proper experience or education to manage or mentor community association managers.

\* Community association management is a profession that is separate and distinct from any other type of real estate activity.

**2. Requirement that Community Association Managers Obtain a "Property Management" License**

\* A property management license ignores the distinction between property managers and community association managers.

\* Community association managers obtaining this license will not obtain the necessary education to manage community associations, since community associations will be only one of the several subjects required for a property management license.

**3. Real Estate Education Requirements**

\* Community association management and real estate brokerage require different knowledge and skill sets.

*\* Requiring community association managers to take real estate educational courses eliminates the distinction between the two professions and inadequately prepares managers for community association management.*

#### **4. Requirement for Community Association Managers to be Licensed as Real Estate Brokers**

*\* Brokers and community association managers perform different job functions that require vastly different knowledge.*

*\* Requiring community association managers to become brokers does not prepare managers for the daily tasks of operating community associations.*

#### **5. Allowing real estate brokers to manage community associations without appropriate training, education and regulation**

### **Background**

CAI supports the protection of homeowners and community associations through increasing professionalism, the training of community association managers, and appropriate insurance coverage. CAI also supports the national certification program sponsored by the National Board of Certification for Community Association Managers (NBC-CAM).

State legislatures have attempted on several occasions to regulate community association managers. Past legislation has attempted to license community association managers as real estate brokers, salespersons, or property managers. By definition, property managers perform facilities management and leasing services - not community association management. Community association managers perform different job functions, requiring different knowledge than that required of real estate brokers, agents or property managers. Any regulation of community association managers as brokers, agents, or property managers does not provide community association residents the assurance that these managers have the knowledge and skills required for professional community association management. While licensure of real estate brokers, agents or property managers protects consumers in sales transactions, it does not protect consumers during the on-going management and operation of community associations.

In response to these initiatives, CAI has developed a national certification program designed specifically for community association managers. The national certification program, administered by NBC-CAM, grants the Certified Manager of Community Associations (CMCA®) credential to those candidates who demonstrate fundamental knowledge in the specific principles of community association management. By obtaining the CMCA credential, managers provide assurance to association boards, members, residents, employers, management firms, legislators, and regulators that they meet the standard of knowledge required of entry-level community association managers. The national certification program also provides the assurance that a certified manager is committed to act professionally and continue his or her professional education.

The national certification program provides many of the same requirements as state licensure. The program requires prerequisite education; a comprehensive examination of entry-level

knowledge that was developed based upon rigorous standards set forth by the National Organization for Competency Assurance; required adherence to Standards of Professional Conduct; enforcement of those Standards; and continuing education requirements – without requiring a state to create a new regulatory bureaucracy to administer a licensure program. Therefore, states do not have to license or otherwise regulate community association managers. States should accept NBC-CAM's national certification program in lieu of state licensure.

**Adopted by the Board of Trustees, October 1, 1994**

**Amended and Approved by the Manager Credentialing Legislative Task Force, April 22, 1998**

**Approved by the Public Affairs Council, April 22, 1998**

**Approved by the Board of Trustees, April 25, 1998**

**Amended and Approved by the Government & Public Affairs Committee, October 17, 2001**

**Adopted by the Board of Trustees on October 19, 2001**

