

The Corporate Transparency Act's Impact on HOAs and Condominium Associations

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Community Associations such as HOAs and Condominium Associations have historically operated with a certain level of privacy. The Corporate Transparency Act ("Act"), however, changes that norm and creates new reporting requirements for certain types of corporate entities in the United States, including most HOAs and Condominium Associations. For a general overview, you can read about the basics of the Act and what you need to know [here](#). This alert will focus primarily on the Act's impact as it specifically relates to HOAs and Condominium Associations.

Does the Act Apply to My Association?

The answer for most associations is likely yes given the Act's broad definition of a "reporting company," which is defined as all corporations, limited liability companies, and other entities formed or registered to do business in the United States. There are 23 exemptions; however, those exemptions will not apply to most community associations unless the Association was formed as a 501(c) under the Internal Revenue Code.

What Does My Community Association Need to Do to Comply with the Act?

The Act mandates that reporting companies disclose certain personal information of individuals who exercise control over the Association. There is little doubt that Community Associations will need to report the personal information (i.e. full legal name, date of birth, and current, as of the date on which the report is delivered, residential or business street address) of their board members in order to meet that obligation. Perhaps less obvious, however, is the need for Community Associations to report the personal information of individuals who own or control 25% or more of the Association, such as developers, or management companies to the extent that such companies are exercising control over the Association (this assessment will require a review of the Association's agreement with the management company).

What is the Deadline to Comply with the Act?

Existing Community Associations will have until January 1, 2025, to submit their initial reports. Associations formed after January 1, 2024, must file their reports within 90 calendar days of formation.

Practically, Community Associations should familiarize themselves with the Act's reporting requirements, which include identifying each individual within the Association who exercise the requisite control over the Association and collect current contact information for each such person. Associations should consider selecting a Board member or management personnel to collect the information required under the Act as well as update that information after any change in the Board's composition. An HOA should also develop a record-keeping process to collect, store, monitor, and track information required for the CTA reporting and filing obligations.

If you have questions regarding compliance with the Corporate Transparency Act's reporting requirements for HOAs

and Condominium Associations, please contact attorney [Erica Townes](#), partner [Stacey MacNeal](#) or any member of the [Barley Snyder Business Practice Group](#) or [Corporate Transparency Act Response Team](#).

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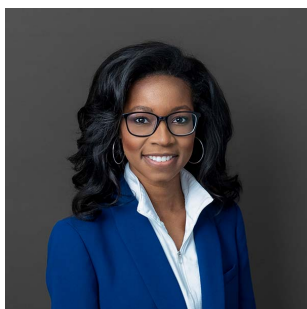


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