

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
PERIMETER CENTER
9960 MAYLAND DRIVE
RICHMOND, VIRGINIA 23233

COMMON INTEREST COMMUNITY BOARD

Tentative AGENDA

THURSDAY, MARCH 4, 2021, 9:30 A.M.

****VIRTUAL MEETING****

MEMBERS OF THE PUBLIC: PLEASE SEE PAGE THREE OF THE AGENDA FOR VIRTUAL MEETING ACCESS INSTRUCTIONS.

I. CALL TO ORDER

II. ANNOUNCEMENTS

III. APPROVAL OF AGENDA

- a. Board Agenda, March 4, 2021

IV. APPROVAL OF MINUTES

- a. Board Meeting, September 3, 2020

V. PUBLIC COMMENT PERIOD*

VI. REVIEW FILES AND DISCIPLINARY MATTERS**

- a. File Number 2019-02440, Association Community Services West Inc, t/a ACS West Consent Order (Baker)
- b. File Number 2020-01152, Association Community Services West Inc, t/a ACS West Consent Order (Baker)
- c. File Number 2019-00655, DCRE Management LLC Disciplinary—IFF by Jonas (Baker)
- d. File Number 2020-01868, Debra Kaye Beagley Licensing—IFF by Mulhare

VII. BOARD BUSINESS

- a. Update on Regulatory Actions
- b. Staff Request for Authorization to Update Time-Share Guidance Document to Reflect Amendments to Virginia Real Estate Time-Share Act
- c. Discussion on General Review of Common Interest Community Manager Regulations
 1. Consider Establishing CICM Regulatory Review Committee
 2. Consider Authorizing Notice of Intended Regulatory Action (NOIRA) to Initiate Regulatory Review Process

VIII. OTHER BUSINESS

- a. Ombudsman Report
- b. 2021 Legislative Update
- c. Discuss Training Program Review Committee Membership
- d. DPOR Updates as it Relates to COVID-19 Response
- e. Board Financial Statements
- f. Staff Event Calendar
- g. Election of Officers
- h. Other Board Business

IX. ADJOURN

NEXT MEETING SCHEDULED FOR JUNE 3, 2021, at 9:30 A.M.

* Five minute public comment, per person, with the exception of any open disciplinary or application files.

** Agenda materials made available to the public do not include disciplinary case files or application files pursuant to §54.1-108 of the *Code of Virginia*.

Persons desiring to participate in the meeting and requiring special accommodations or interpretative services should contact the Department at (804) 367-8510 at least ten days prior to the meeting so that suitable arrangements can be made for an appropriate accommodation. The Department fully complies with the Americans with Disabilities Act.

DRAFT AGENDA
Materials contained in this agenda are proposed for discussion
and are not to be construed as regulation or official board position
DRAFT AGENDA



COMMON INTEREST COMMUNITY BOARD

PUBLIC PARTICIPATION IN MARCH 4, 2021 BOARD MEETING

AUTHORITY | Virtual Meeting

Access to the Perimeter Center, where DPOR board meetings are normally held, is closed to the public as a result of the COVID-19 pandemic. The meeting will be conducted in accordance with the applicable provisions of the Freedom of Information Act (Chapter 37 of Title 2.2 of the Code of Virginia) and Amendment 28 to House Bill 29 (Budget Bill for 2018-2020).

ACCESSING THE MEETING | Google Meet

Members of the public may observe the meeting via the Google Meet platform using the link below:

Link:

meet.google.com/sgb-jgrx-rkf

The public can also listen to the meeting via audio by calling the number below and entering the PIN:

Phone number: 1-432-652-6510

PIN: 345 648 017#

PUBLIC COMMENT | Registration Required

Members of the public who would like to provide comments to the Board during the public comment period must notify the Board in advance of the meeting in order to be registered. Please email the Board at cic@dpor.virginia.gov by 12:00 p.m. on Wednesday, March 3, 2021 and provide your name and email address. You will receive an email confirmation once your registration is complete.

VIRTUAL BOARD MEETING INSTRUCTIONS

Providing Public Comment

- Members of the public who have registered to provide comment can do so after having their names announced during the public comment period.
- Commenters will be limited to 5 minutes.
- Participants are asked to call from a location without background noise.
- The public comment period is an opportunity to provide comments to the Board. If a member of the public has questions of the Board or needs information, please email your inquiry to the Board office at the email address above so that staff can handle it appropriately.
- At the close of the public comment period, all public participants' connections to the meeting will be muted, and they will only be able to view and listen to the meeting.
- Feedback on this electronic meeting can be provided to the FOIA Council on the *Electronic Meetings Public Comment* form at <http://foiacouncil.dls.virginia.gov/sample%20letters/welcome.htm>.

DURING THE MEETING | Broadcast Interruption

Should an interruption of the broadcast occur during the meeting, please email Tanya.Pettus@DPOR.Virginia.gov.

The Board and staff appreciate your patience as we work through any challenges associated with a virtual meeting. The safety of all participants is of utmost concern during these unprecedented times and we look forward to resuming in-person meetings once it is safe to do so.

ANNOUNCEMENTS

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COMMON INTEREST COMMUNITY BOARD

MINUTES OF MEETING

The Common Interest Community Board (Board) met on September 3, 2020, at the Deep Run Park, 9900 Ridgefield Parkway, Deep Run Recreation Center, Ridgefield Ballroom, Henrico, Virginia 23233.

The following members were present:

Drew Mulhare, Chair
Tom Burrell
Jim Foley
Amanda Jonas
David S. Mercer, Vice-Chair
Lori Overholt
Anne M. Sheehan

Board members Maureen Baker, Scott Sterling, and Katherine Waddell were not in attendance at the meeting.

DPOR staff present for all or part of the meeting included:

Mary Broz-Vaughan, Director
Trisha L. Henshaw, Executive Director
Heather Gillespie, Ombudsman
Joseph C. Haughwout, Jr., Board and Regulatory Administrator
Tanya M. Pettus, Administrative Assistant

Joshua Laws, Assistant Attorney General with the Office of the Attorney General, was present.

Finding a quorum of the Board present, Mr. Mulhare, Chair, called the meeting to order at 9:31 a.m. **Call to Order**

Ms. Henshaw advised the Board of the emergency evacuation procedures. **Emergency Evacuation Procedures**

Ms. Henshaw advised the Board of safety measures currently in place due to COVID-19. **COVID-19 Safety Reminders**

Ms. Henshaw introduced staff members Lee Bryant and Brenda Hundley, who were present to assist in implementing safety protocols.

Ms. Jonas moved to approve the agenda as presented. Mr. Burrell seconded the motion which was unanimously approved by: Burrell, Foley, Jonas, Mercer, Mulhare, Overholt, and Sheehan.

Approval of Agenda

Mr. Foley moved to approve the June 4, 2020, Board meeting minutes as presented. Ms. Jonas seconded the motion which was unanimously approved by: Burrell, Foley, Jonas, Mercer, Mulhare, Overholt, and Sheehan.

Approval of Minutes

Cynthia Gale was present to address the Board. Ms. Gale asked for clarification as to whether the license renewal extensions currently in place due to the public health emergency applied to association registrations, and whether this affects the ability of associations to collect fees for disclosure packets. Ms. Gale also asked for clarification on the term "size" as it applies to the fees associations pay for registration or registration renewal. The Board agreed by consensus that staff will communicate with Ms. Gale to relay the answers to her questions.

Public Comment Period

Mr. Mulhare recused himself from the meeting for deliberation and discussion of File Numbers 2019-02922 and 2020-01868. Mr. Mercer, Vice-Chair, assumed Chair of the Board.

Recusal of Board Member

In the matter of **File Number 2019-02922, Alliance Community Management Inc., t/a Stephens & Company, Inc.**, the Board members reviewed the Consent Order. Alliance Community Management Inc. admits to a violation of 18 VAC 48-50-190.17 as outlined in Count 1, and agrees to the imposition of Board costs of \$150.00. Ms. Overholt moved to approve the Consent Order as presented. Ms. Jonas seconded the motion which was unanimously approved by: Burrell, Foley, Jonas, Mercer, Overholt, and Sheehan.

File Number 2019-02922, Alliance Community Management Inc, t/a Stephens & Company Inc

In the matter of **File Number 2020-01868, Debra Kaye Beagley**, the Board members reviewed the record which consisted of the application file, transcript and exhibits from the Informal Fact-Finding Conference (IFF), and the Presiding Officer's Summary and Recommendation.

File Number 2020-01868, Debra Kaye Beagley

Janeen Koch, attorney for Ms. Beagley, was present to address the Board. Ms. Koch asked that the Board remand the matter to reconvene the IFF in order to present additional evidence for the Board's consideration. The applicant agreed to waive her right under § 2.2-4021(B) to receive a decision from the Board on her application within 90-days of the date of the IFF. Ms. Jonas moved to authorize the waiver of the 90-day requirement for a Board decision per the applicant's request.

After discussion, Ms. Sheehan seconded the motion which was approved by: Burrell, Jonas, Mercer, Overholt, and Sheehan. Mr. Foley opposed the motion. The motion passed by majority vote. Ms. Sheehan then moved to remand the matter to an IFF. Ms. Jonas seconded the motion. After discussion, the motion was approved by: Burrell, Jonas, Mercer, Overholt, and Sheehan. Mr. Foley opposed the motion. The motion passed by majority vote.

Mr. Mulhare returned to the meeting and resumed Chair of the Board.

Return of Board Member

Mr. Haughwout provided an update on the current status of the regulatory review processes for the Board's regulatory packages:

Update on Regulatory Actions

Final amendments to the Condominium Regulations regarding declarant trade and fictitious name requirements became effective on June 1, 2020.

Final amendments to the Time-Share Regulations regarding developer/reseller trade and fictitious name requirements became effective on June 1, 2020.

Final amendments to the Common Interest Community Manager Regulations regarding trade and fictitious name requirements became effective on June 1, 2020.

The Board adopted final amendments to the CIC Management Information Fund Regulations on March 12, 2020. Amendments are currently undergoing Executive Branch review, after which a final 30-public comment period be held, prior to becoming effective.

Mr. Haughwout asked the Board to consider authorizing an exempt action to amend language in the Time-Share Regulations in order to conform to changes in the Virginia Real Estate Time-Share Act resulting from Senate Bill 584, which passed during the 2020 General Assembly session. After discussion, Ms. Overholt moved to authorize staff to file an exempt action to amend language in the Time-Share Regulations in order to conform to the changes in the statute. Mr. Burrell seconded the motion which was unanimously approved by: Burrell, Foley, Jonas, Mercer, Mulhare, Overholt, and Sheehan.

Consider Exempt Action to Amend Time-Share Regulations (SB 584)

Ms. Henshaw and Mr. Haughwout presented the Board with staff recommendations for amendments to the Board's guidance documents in

Staff Request for Authorization to

order to conform to the recent Title 55 recodification. After review and discussion, Mr. Foley moved to accept staff recommendations for amendments to the guidance documents and authorized staff to amend the guidance documents in order to conform to the Title 55 recodification. Ms. Jonas seconded the motion which was unanimously approved by: Burrell, Foley, Jonas, Mercer, Mulhare, Overholt, and Sheehan.

**Update CIC Board
Guidance
Documents**

Ms. Henshaw and Ms. Broz-Vaughan presented the Board with two legislative proposals to be submitted for consideration during the 2021 General Assembly session for informational purposes.

**2021 CICB
Legislative Items**

Ms. Henshaw asked the Chair to consider re-opening the public comment period in order to share with the Board a public comment received in writing. Mr. Mulhare reopened the public comment period.

**Public Comment
Period Re-opened**

Ms. Henshaw presented the Board with a written public comment received from Richard J. Hebert of Sagicus Law Group, PLC. Mr. Hebert believes that due to amendments to Title 54.1 of the Code of Virginia and the Condominium Act effective October 1, 2019, that DPOR and the Board now has jurisdiction over professional and commercial condominiums.

After discussion and review of the Board's current guidance document regarding the applicability of the Common Interest Community Ombudsman Regulations on solely commercial condominiums, the Board agreed by consensus that no action would be taken by the Board and that current Board guidance regarding commercial condominiums remains in effect.

Mr. Mulhare closed the public comment period.

Ms. Henshaw advised the Board of temporary waivers of certain regulations pursuant to Executive Order 51 in response to COVID-19. During the current state of emergency, the validity of licenses, certifications, registrations, and other authorizations issued by the Board that would otherwise (i) expire during the state of emergency and (ii) be eligible for renewal or reinstatement during the state of emergency under applicable regulations, will be extended until the 30th day after the date by which the state of emergency is lifted. In addition, regulations that prohibit or limit online, electronic, or distance learning have also been waived until the 30th day after the date by which the state

**DPOR Updates as it
Relates to COVID-
19 Response**

of emergency is lifted. Ms. Henshaw noted that the waivers do not apply to statutory requirements.

Ms. Henshaw advised the Board that in order to comply with public health emergency recommendations, the agency remains closed to the public and staff scheduling adjustments have been made, including telework for those employees who are eligible.

Discussion was held on the increase in attendance of training sessions and meetings due to the availability of virtual meeting options.

Ms. Gillespie provided the Board with a summary of current complaint and file statistics as of August 28, 2020.

Ombudsman Report

Ms. Gillespie advised the Board that the Notice of Adverse Decision and Complaint forms have been revised and will be made available on the DPOR website soon.

Ms. Henshaw advised the Board that public comments are currently being accepted via the Town Hall by the Board for Professional and Occupational Regulation for the purpose of evaluating several licensure programs as a result of the 2018 Joint Legislative Audit and Review Commission study and legislation during the 2019 General Assembly session. The public comment period closes on September 30, 2020.

Update on Public Hearings

Ms. Henshaw provided the Board with the most recent financial statements. There have been no claims from the Recovery Fund.

Board Financial Statements

Ms. Henshaw advised that Eugenia Lockett Reese is no longer a member of the Board.

Other Business

Mr. Laws updated the Board on a matter of receivership that went before the Real Estate Board on July 16, 2020.

Ms. Henshaw congratulated Ms. Baker and Ms. Overholt on their reappointments to the Board.

Ms. Henshaw advised the Board that a general review of the Board's Common Interest Community Manager Regulations will be discussed at the December meeting, and asked the Board members to consider suggestions for members to serve on the general review committee. Ms. Henshaw also advised that staff will look to discuss matters that come before the Board rather than being reviewed by staff at a future meeting.

Mr. Mercer commended staff on their commitment to safety and attention to detail during the COVID-19 crisis.

Ms. Broz-Vaughan also commended staff on their efforts and teamwork during the pandemic and thanked the Board for their patience and support.

There being no further business, the meeting was adjourned at 10:38 a.m.

Adjourn

Drew Mulhare, Chair

Mary Broz-Vaughan, Secretary

PUBLIC COMMENT PERIOD

Five minute public comment, per person, with the exception of any open disciplinary or application files.

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Common Interest Community Board

Update on Regulatory Actions

(as of February 25, 2021)

Action: Amendment of Time-Share Regulations to Conform to SB 584 (2020)

Current Stage: Adopted (Exempt)

- Final amendments adopted by Board on 9/3/20.
- Submitted to Registrar on 9/9/20.
- Published in Virginia Register on 9/28/20.
- Amended regulation became effective on 12/1/20.

Next Step: N/A

Action: CIC Management Information Fund – General Review

Current Stage: Final

- Board adopted final amendments on 3/12/20.
- Submitted for Executive Branch review on 5/14/20.
- Executive Branch review still pending.

Next Step: Publication/Public Comment

- Completion of Executive Branch review.
- Submission to Registrar for publication in Virginia Register.
- Final 30-day public comment period.
- Regulation becomes effective following public comment period.



Common Interest Community Board

Guidance Document: Distribution of Time-Share Public Offering Statements and Purchaser Opportunity to Review Public Offering Statement Prior to Execution of a Contract

Adopted June 7, 2018

Revised March 4, 2021

1. Background

Section 55.1-2217 of the Code of Virginia outlines statutory requirements for public offering statements for time-share programs. Subsection A of § 55.1-2217 states, in part:

Prior to the execution of a contract for the purchase of a time-share, the developer shall prepare and distribute to each prospective purchaser a copy of the current public offering statement regarding the time-share program. The public offering statement shall (i) fully and accurately disclose the material characteristics of the time-share program registered under this chapter and such time-share offered and (ii) make known to each prospective purchaser all material circumstances affecting such time-share program. [Emphasis added.]

In addition, Subsection I of § 55.1-2217 states:

The public offering statement may be in any format, including any electronic format, provided that the prospective buyer has available for review, along with ample time for any questions and answers, a copy of the public offering statement prior to his execution of a contract. [Emphasis added.]

The requirement in Subsection A that developers distribute public offering statements to prospective purchasers prior to execution of a contract for purchase came about as a result of changes made to The Virginia Real Estate Time-Share Act ("Time-Share Act")

in 1994. The change was made in conjunction with an amendment to purchaser's cancellation rights outlined in § 55-376 of the Code of Virginia (now § 55.1-2221) which established the cancellation period to solely be seven days from the date of contract execution. Previous to the 1994 amendment, a purchaser had the right to cancel a contract within seven days following execution of the contract or receipt of the public offering statement, whichever occurred later.

Subsection I was added to § 55-374 of the Code of Virginia (now § 55.1-2217) as a result of amendments to the Time-Share Act in 2007.

Part V of the Board's Time-Share Regulations (18 VAC 48-45-140 through 18 VAC 48-45-320) outline the requirements for public offering statements. Section 18 VAC 48-45-150 states, in part:

A. The provisions of § 55.1-2217 of the Code of Virginia and this chapter shall be strictly construed to promote full and accurate disclosure in the public offering statement. [Emphasis added.]

Section 18 VAC 48-45-20 provides the following definition:

"Full and accurate disclosure" means the degree of disclosure necessary to ensure reasonably complete and materially accurate representation of the time-share in order to protect the interests of purchasers.

II. Issues/Concerns

The language in § 55.1-2217 suggests that it is the intention of the General Assembly to protect the public welfare by ensuring that prospective time-share purchasers be provided with, and have the opportunity to review, the public offering statement for a time-share program offering before the statutory rescission period commences.

Subsections A and I of § 55.1-2217 clearly establish the requirement, regardless of the format of the public offering statement (i.e. printed or electronic), that prospective purchasers are to receive the public offering statement before execution of a contract. Subsection I also provides that prospective purchasers have "ample time for any questions and answers" prior to execution of a contract. The requirements in Subsections A and I prescribe how a developer must act when offering or disposing of a time-share.

If a developer fails to provide a public offering statement prior to execution of a contract, or fails to give prospective purchasers adequate time to review a public offering statement, the Board can investigate complaints involving alleged violations of the Time-Share Act and take disciplinary action as appropriate. In such instances, though, the obligation is on the consumer to allege the developer failed to comply with the Time-Share Act. However, it is not clear that prospective purchasers would know, or have reason to know, that a developer is required to provide a public offering statement, and

afford them with ample time for questions and answers, prior their execution of a contract. Depending on the nature of the time-share program being offered, the length of a public offering statement, including exhibits, can number in the hundreds of pages, which may deter prospective purchasers from immediately reviewing a statement upon receipt. To the extent potential purchasers are unaware of the protection afforded to them under the Time-Share Act, a potential purchaser is placed at a significant information disadvantage in the transaction vis-à-vis the developer. The developer has greater knowledge of the material characteristics and circumstances in the time-share being offered, including any terms and conditions that might affect the purchaser's decision to accept or decline a purchase. The purpose of the public offering statement is to provide a potential purchaser with sufficient notice of these material characteristics and circumstances. By reviewing the public offering statement and being afforded opportunity to have any questions answered, prior to execution of the contract, potential purchasers can educate themselves regarding the time-share being offered, and be on more equal footing with the developer in the transaction.

To the extent a purchaser executes a purchase contract, thereby initiating the rescission period, without having first reviewed the public offering statement, the purchaser is placed at a disadvantage. The purchaser's only remedy may be to cancel the contract during the rescission period. However, the purchaser may not be fully aware of any material characteristics and circumstances of the time-share that might have otherwise caused them to forgo a purchase, and may not become aware of these until after the rescission period has ended.

A review of time-share related complaints received by the Office of the Common Interest Community Ombudsman for the 2015-2016 reporting period (56 cases) revealed there were at least six (6) cases where the complaining parties indicated in their complaint that they did not have the opportunity to review documents prior to signing a contract. In the 2016-2017 reporting period, there were at least eight (8) time-share related complaints where the complaining parties indicated that they did not have an opportunity to review documents prior to signing a contract.

Inasmuch as the requirements to provide a public offering statement, and allow ample time for questions and answers prior to execution of a contract serve to protect consumers, adhering to these requirements is beneficial to developers. Following these requirements can place developers in a better position with respect to any complaints that may be made to the Board, as the Board can more efficiently determine whether a complaint is legitimate or simply a matter of "buyer's remorse."

The Board's regulations pertaining to public offering statements, which supplement statutory requirements under § 55.1-2217, largely address the form and content of a public offering statement, with the principal standard being that public offering statements are to provide "full and accurate" disclosure to consumers in order for a time-share to qualify for registration. Regarding delivery of a public offering statement, 18 VAC 48-45-160.B provides that a developer may include a receipt page documenting a purchaser's receipt of the public offering statement. The regulations do not specifically

address the requirement of delivery of a public offering statement prior to execution of a contract, or the requirement that potential purchasers be afforded an opportunity for questions and answers. Consumers, developers, and other members of the public may benefit from the Board's guidance on this issue.

III. Board Guidance

The Board adopts a guidance document that establishes the following:

1. Full and accurate disclosure in a public offering statement includes disclosure to each potential purchaser of the developer's obligations, as outlined in § 55.1-2217, to distribute the public offering statement to each potential purchaser prior to execution of the purchase contract; and that each potential purchaser must have the public offering statement available for review, along with ample time for questions and answers, prior to execution of the purchase contract.
2. The disclosure described in Item #1 above must be provided in either (i) the first page of the public offering statement required by 18 VAC 48-45-160.C; or (ii) the optional public offering statement receipt page described in 18 VAC 48-45-160.B.
3. A developer that seeks to distribute a public offering statement by way of alternative media (i.e. other than paper copy) must obtain written consent from the prospective purchaser to receive the public offering statement by way of alternative media, prior to execution of the purchase contract; and must inform prospective purchasers of the developer's obligation, as outlined in Subsection I of § 55.1-2217, to provide potential purchasers with a copy of the public offering statement for review, and ample time for questions and answers, prior to execution of a purchase contract.

Common Interest Community Board

Common Interest Community Manager Regulations

2021 General Regulatory Review

The following list of topics are items that have been discussed at Board meetings, presented to staff, or identified by staff review, and that the Board may wish to consider during the general review of the Common Interest Community Manager Regulations. This list is not inclusive of all items that the Board may present for amendment.

Overall

- Repeal provisions of the regulation that are out-of-date.
- Change appearances of “shall” to “must”, “will”, “may”, etc., as appropriate.
- Amend regulations to provide clarity and to align with current practices and processes.

Definitions

- Establish definition for the “qualifying individual” for a common interest community manager described in 18 VAC 48-50-30.L to qualify a firm for licensure. Add the term “qualifying individual” in the regulations where applicable.

Entry Requirements

- Review requirements for disclosure of criminal convictions for a management company license, and for a principal or supervisory employee certificate.
- Review requirements for disclosure of disciplinary actions for a management company license, and for a principal or supervisory employee certificate.
- Revise requirements pertaining to fidelity bond or employee dishonesty policy to be obtained by common interest community manager to incorporate Board’s previous interpretative guidance regarding minimum requirements for insurance and proof of insurance.
- Review training and experience requirements for qualifying individuals for common interest community managers, and principal or supervisory employee certificates.
- Consider whether other types of management experience other than association management may be acceptable to qualify for licensure or certification.

Renewal and Reinstatement

- Consider extending license period for common interest community manager licenses from one year to two years.
- Consider extending the reinstatement period for common interest community manager licenses and principal or supervisory employee certificates from six months to one year.
- Review current requirements for continuing education for principal or supervisory employee certificate holders.

Standards of Conduct and Practice

- Consider adding to reporting requirements, including:
 - Common interest community managers notify the Board of any change of name or fictitious name within 30 days of change.
 - Individuals who hold a principal or supervisory employee certificate notify Board of name change within 30 days of change.
 - Common interest community managers must report any change of principals, responsible person, or qualifying individual.
 - Common interest community manager must report actions taken against qualifying individual (e.g. criminal conviction, regulatory discipline).
- Review prohibited acts outlined in 18 VAC 48-50-190.
- Review provision relating to conflicts of interest.
- Clarify requirements to respond to inquiries from the Board and Board's agents (i.e. investigative staff).
- Add duty to report requirement.

Training Programs and Examination

- Review current training program and examination requirements

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Virginia Administrative Code
 Title 18. Professional And Occupational Licensing
 Agency 48. Common Interest Community Board
 Chapter 50. Common Interest Community Manager Regulations

Part I. General

18VAC48-50-10. Definitions.

Section 54.1-2345 of the Code of Virginia provides definitions of the following terms and phrases as used in this chapter:

"Association"

"Board"

"Common interest community"

"Common interest community manager"

"Declaration"

"Governing board"

"Lot"

"Management services"

The following words, terms, and phrases when used in this chapter shall have the following meanings unless the context clearly indicates otherwise:

"Active status" means the status of a certificated person in the employ of a common interest community manager.

"Address of record" means the mailing address designated by the regulant to receive notices and correspondence from the board. Notice mailed to the address of record by certified mail, return receipt requested, shall be deemed valid notice.

"Applicant" means a common interest community manager who has submitted an application for licensure or an individual who has submitted an application for certification.

"Application" means a completed, board-prescribed form submitted with the appropriate fee and other required documentation.

"Certified principal or supervisory employee" refers to any individual who has principal responsibility for management services provided to a common interest community or who has supervisory responsibility for employees who participate directly in the provision of management services to a common interest community, and who holds a certificate issued by the board.

"Contact hour" means 50 minutes of instruction.

"Department" means the Virginia Department of Professional and Occupational Regulation.

"Direct supervision" means exercising oversight and direction of, and control over, the work of another.

"Firm" means a sole proprietorship, association, partnership, corporation, limited liability company, limited liability partnership, or any other form of business organization recognized under the laws of the Commonwealth of Virginia and properly registered, as may be required, with the Virginia State Corporation Commission.

"Principal responsibility" means having the primary obligation for the direct provision of management services provided to a common interest community.

"Regulant" means a common interest community manager as defined in § 54.1-2345 of the Code of Virginia who holds a license issued by the board or an individual who holds a certificate issued by the board.

"Reinstatement" means the process and requirements through which an expired license or certificate can be made valid without the regulant having to apply as a new applicant.

"Renewal" means the process and requirements for periodically approving the continuance of a license or certificate.

"Responsible person" means the employee, officer, manager, owner, or principal of the firm who shall be designated by each firm to ensure compliance with Chapter 23.3 (§ 54.1-2345 et seq.) of Title 54.1 of the Code of Virginia, and all regulations of the board, and to receive communications and notices from the board that may affect the firm. In the case of a sole proprietorship, the sole proprietor shall have the responsibilities of the responsible person.

"Sole proprietor" means any individual, not a corporation or other registered business entity, who is trading under his own name, or under an assumed or fictitious name pursuant to the provisions of Chapter 5 of Title 59.1 (§ 59.1-69 et seq.) of the Code of Virginia.

"Supervisory responsibility" means providing formal supervision of the work of at least one other person. The individual who has supervisory responsibility directs the work of another employee or other employees, has control over the work performed, exercises examination and evaluation of the employee's performance, or has the authority to make decisions personally that affect the management services provided.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012; Volume 35, Issue 19, eff. July 1, 2019; Volume 36, Issue 17, eff. June 1, 2020.

Part IV. Renewal and Reinstatement

18VAC48-50-100. Expiration and renewal.

A. Prior to the expiration date shown on the license, licenses shall be renewed upon (i) completion of the renewal application, (ii) submittal of proof of current bond or insurance policy as detailed in 18VAC48-50-30 E, and (iii) payment of the fees specified in 18VAC48-50-60.

B. Prior to the expiration date shown on the certificate, certificates shall be renewed upon (i) completion of the renewal application; (ii) submittal of proof of completion of two hours of fair housing training as it relates to the management of common interest communities and two hours of Virginia common interest community law and regulation training, both as approved by the board and completed within the two-year certificate period immediately prior to the expiration date of the certificate; and (iii) payment of the fees specified in 18VAC48-50-60.

C. The board will mail a renewal notice to the regulant at the last known mailing address of record. Failure to receive this notice shall not relieve the regulant of the obligation to renew. If the regulant fails to receive the renewal notice, a copy of the license or certificate may be submitted with the required fees as an application for renewal. By submitting an application for renewal, the regulant is certifying continued compliance with the Standards of Conduct and Practice in Part V (18VAC48-50-140 et seq.) of this chapter.

D. Applicants for renewal shall continue to meet all of the qualifications for licensure and certification set forth in Part II (18VAC48-50-20 et seq.) of this chapter.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012; Volume 35, Issue 19, eff. July 1, 2019.

18VAC48-50-110. Reinstatement of common interest community manager license and certified principal or supervisory employee certificate required.

A. If all of the requirements for renewal of a license as specified in 18VAC48-50-100 A are not completed within 30 days of the license expiration date, the licensee shall be required to reinstate the license by meeting all renewal requirements and by paying the reinstatement fee specified in 18VAC48-50-60.

B. If all of the requirements for renewal of a certificate as specified in 18VAC48-50-100 B are not completed within 30 days of the certificate expiration date, the certificateholder shall be required to reinstate the certificate by meeting all renewal requirements and by paying the reinstatement fee specified in 18VAC48-50-60.

C. A license or certificate may be reinstated for up to six months following the expiration date. After six months, the license or certificate may not be reinstated under any circumstances and the firm or individual must meet all current entry requirements and apply as a new applicant.

D. Any regulated activity conducted subsequent to the license expiration date may constitute unlicensed activity and be subject to prosecution under Chapter 1 (§ 54.1-100 et seq.) of Title 54.1 of the Code of Virginia.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-120. Status of license or certificate during the period prior to reinstatement.

A regulant who applies for reinstatement of a license or certificate shall be subject to all laws and regulations as if the regulant had been continuously licensed or certified. The regulant shall remain under and be subject to the disciplinary authority of the board during this entire period.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-130. Board discretion to deny renewal or reinstatement.

The board may deny renewal or reinstatement of a license or certificate for the same reasons as the board may refuse initial licensure or certification, or discipline a regulant.

The board may deny renewal or reinstatement of a license or certificate if the regulant has been subject to a disciplinary proceeding and has not met the terms of an agreement for licensure or certification, has not satisfied all sanctions, or has not fully paid any monetary penalties and costs imposed by the board.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

Part V. Standards of Conduct and Practice**18VAC48-50-140. Grounds for disciplinary action.**

The board may place a regulant on probation, impose a monetary penalty in accordance with § 54.1-202 A of the Code of Virginia, or revoke, suspend or refuse to renew any license or certificate when the regulant has been found to have

violated or cooperated with others in violating any provisions of the regulations of the board or Chapter 23.3 (§ 54.1-2345 et seq.) of Title 54.1 of the Code of Virginia.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-150. Maintenance of license or certificate.

A. No license or certificate issued by the board shall be assigned or otherwise transferred.

B. A regulant shall report, in writing, all changes of address to the board within 30 days of the change and shall return the license or certificate to the board. In addition to the address of record, a physical address is required for each license or certificate. If the regulant holds more than one license, certificate, or registration, the regulant shall inform the board of all licenses, certificates, and registrations affected by the address change.

C. Any change in any of the qualifications for licensure or certification found in 18VAC48-50-30 or 18VAC48-50-35 shall be reported to the board within 30 days of the change.

D. Notwithstanding the provisions of subsection C of this section, a licensee shall report the cancellation, amendment, expiration, or any other change of any bond or insurance policy submitted in accordance with 18VAC48-50-30 E within five days of the change.

E. A licensee shall report to the board the discharge or termination of active status of an employee holding a certificate within 30 days of the discharge or termination of active status.

F. A certified principal or supervisory employee shall report a change in employing common interest community manager within 30 days of the change.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-160. Maintenance and management of accounts.

Licensed firms shall maintain all funds from associations in accordance with § 54.1-2353 A of the Code of Virginia. Funds that belong to others that are held as a result of the fiduciary relationship shall be labeled as such to clearly distinguish funds that belong to others from those funds of the common interest community manager.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-170. Change of business entity requires a new license.

A. Licenses are issued to firms as defined in this chapter and are not transferable. Whenever the legal business entity holding the license is dissolved or altered to form a new business entity, the license becomes void and shall be returned to the board within 30 days of the change. Such changes include but are not limited to:

1. Cessation of the business or the voluntary termination of a sole proprietorship or general partnership;

2. Death of a sole proprietor;
3. Formation, reformation, or dissolution of a general partnership, limited partnership, corporation, limited liability company, association, or any other business entity recognized under the laws of the Commonwealth of Virginia; or
4. The suspension or termination of the corporation's existence by the State Corporation Commission.

B. When a new firm is formed, the new firm shall apply for a new license on a form provided by the board before engaging in any activity regulated by Chapter 23.3 (§ 54.1-2345 et seq.) of Title 54.1 of the Code of Virginia or the regulations of the board.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010.

18VAC48-50-180. Notice of adverse action.

A. Licensed firms shall notify the board of the following actions against the firm, the responsible person, and any principals of the firm:

1. Any disciplinary action taken by any jurisdiction, board, or administrative body of competent jurisdiction, including but not limited to any reprimand, license or certificate revocation, suspension or denial, monetary penalty, or requirement for remedial education or other corrective action.
2. Any voluntary surrendering of a license, certificate, or registration done in connection with a disciplinary action in another jurisdiction.
3. Any conviction, finding of guilt, or plea of guilty, regardless of adjudication or deferred adjudication, in any jurisdiction of the United States of any misdemeanor involving moral turpitude, sexual offense, drug distribution, or physical injury, or any felony, there being no appeal pending therefrom or the time for appeal having lapsed. Review of convictions shall be subject to the requirements of § 54.1-204 of the Code of Virginia. Any plea of nolo contendere shall be considered a conviction for the purpose of this section.

B. Certified principal or supervisory employees shall notify the board, and the responsible person of the employing firm, if applicable, of the following actions against the certified principal or supervisory employee:

1. Any disciplinary action taken by any jurisdiction, board, or administrative body of competent jurisdiction, including but not limited to any reprimand, license or certificate revocation, suspension or denial, monetary penalty, requirement for remedial education, or other corrective action.
2. Any voluntary surrendering of a license, certificate, or registration done in connection with a disciplinary action in another jurisdiction.
3. Any conviction, finding of guilt, or plea of guilty, regardless of adjudication or deferred adjudication, in any jurisdiction of the United States of any misdemeanor involving moral turpitude, sexual offense, drug distribution, or physical injury, or any felony, there being no appeal pending therefrom or the time for appeal having lapsed. Review of convictions shall be subject to the requirements of § 54.1-204 of the Code of Virginia. Any plea of nolo contendere shall be considered a conviction for the purpose of this section.

The notice must be made to the board in writing within 30 days of the action. A copy of the order or other supporting documentation must accompany the notice. The record of conviction, finding, or case decision shall be considered prima facie evidence of a conviction or finding of guilt.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-190. Prohibited acts.

The following acts are prohibited and any violation may result in disciplinary action by the board:

1. Violating, inducing another to violate, or cooperating with others in violating any of the provisions of any of the regulations of the board; Chapter 23.3 (§ 54.1-2345 et seq.) of Title 54.1 of the Code of Virginia; or Chapter 18 (§ 55.1-1800 et seq.), Chapter 19 (§ 55.1-1900 et seq.), or Chapter 21 (§ 55.1-2100 et seq.) of Title 55.1 of the Code of Virginia or engaging in any acts enumerated in §§ 54.1-102 and 54.1-111 of the Code of Virginia.
2. Allowing a license or certificate issued by the board to be used by another.
3. Obtaining or attempting to obtain a license or certificate by false or fraudulent representation, or maintaining, renewing, or reinstating a license or certificate by false or fraudulent representation.
4. A regulant having been convicted, found guilty, or disciplined in any jurisdiction of any offense or violation enumerated in 18VAC48-50-180.
5. Failing to inform the board in writing within 30 days that the regulant was convicted, found guilty, or disciplined in any jurisdiction of any offense or violation enumerated in 18VAC48-50-180.
6. Failing to report a change as required by 18VAC48-50-150 or 18VAC48-50-170.
7. The intentional and unjustified failure to comply with the terms of the management contract, operating agreement, or association governing documents.
8. Engaging in dishonest or fraudulent conduct in providing management services.
9. Failing to satisfy any judgments or restitution orders entered by a court or arbiter of competent jurisdiction.
10. Egregious or repeated violations of generally accepted standards for the provision of management services.
11. Failing to handle association funds in accordance with the provisions of § 54.1-2353 A of the Code of Virginia or 18VAC48-50-160.
12. Failing to account in a timely manner for all money and property received by the regulant in which the association has or may have an interest.
13. Failing to disclose to the association material facts related to the association's property or concerning management services of which the regulant has actual knowledge.
14. Failing to provide complete records related to the association's management services to the association within 30 days of any written request by the association or within 30 days of the termination of the contract unless otherwise agreed to in writing by both the association and the common interest community manager.
15. Failing upon written request of the association to provide books and records such that the association can perform pursuant to §§ 55.1-1815 (Property Owners' Association Act), 55.1-1945 (Virginia Condominium Act), and 55.1-2151 (Virginia Real Estate Cooperative Act) of the Code of Virginia.
16. Commingling the funds of any association by a principal, his employees, or his associates with the principal's own funds or those of his firm.
17. Failing to act in providing management services in a manner that safeguards the interests of the public.
18. Advertising in any name other than the name in which licensed.
19. Failing to make use of a legible, written contract clearly specifying the terms and conditions of the management services to be performed by the common interest community manager. The contract shall include the following:

- a. Beginning and ending dates of the contract;
 - b. Cancellation rights of the parties;
 - c. Record retention and distribution policy;
 - d. A general description of the records to be kept and the bookkeeping system to be used; and
 - e. The common interest community manager's license number.
20. Performing management services or accepting payments prior to the signing of the contract by an authorized official of the licensed firm and the client or the client's authorized agent.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012; Volume 36, Issue 3, eff. November 1, 2019.

Part II. Entry**18VAC48-50-20. Application procedures.**

All applicants seeking licensure or certification shall submit an application with the appropriate fee specified in 18VAC48-50-60. Application shall be made on forms provided by the board or its agent.

By submitting the application to the department, the applicant certifies that the applicant has read and understands the applicable statutes and the board's regulations.

The receipt of an application and the deposit of fees by the board does not indicate approval by the board.

The board may make further inquiries and investigations with respect to the applicant's qualifications to confirm or amplify information supplied. All applications shall be completed in accordance with the instructions contained herein and on the application. Applications will not be considered complete until all required documents are received by the board.

An individual or firm will be notified within 30 days of the board's receipt of an initial application if the application is incomplete. An individual or firm that fails to complete the process within 12 months of receipt of the application in the board's office must submit a new application and fee.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

Part V. Standards of Conduct and Practice**18VAC48-50-200. Establishment of code of conduct.**

The firm shall establish and distribute to the firm's employees, principals, and agents a written code of conduct to address business practices including the appropriateness of giving and accepting gifts, bonuses, or other remuneration to and from common interest communities or providers of services to common interest communities. In accordance with clause (ii) of § 54.1-2346 E of the Code of Virginia, the code of conduct for officers, directors, and employees shall also address disclosure of relationships with other firms that provide services to common interest communities and that may give rise to a conflict of interest.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010.

18VAC48-50-210. Establishment of internal accounting controls.

The firm shall establish written internal accounting controls to provide adequate checks and balances over the financial activities and to manage the risk of fraud and illegal acts. The internal accounting controls shall be in accordance with generally accepted accounting practices.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010.

18VAC48-50-220. Response to inquiry and provision of records.

A. A regulant must respond within 10 days to a request by the board or any of its agents regarding any complaint filed with the department.

B. Unless otherwise specified by the board, a regulant of the board shall produce to the board or any of its agents within 10 days of the request any document, book, or record concerning any transaction pertaining to a complaint filed in which the regulant was involved, or for which the regulant is required to maintain records for inspection and copying by the board or its agents. The board may extend such time frame upon a showing of extenuating circumstances prohibiting delivery within such 10-day period.

C. A regulant shall not provide a false, misleading, or incomplete response to the board or any of its agents seeking information in the investigation of a complaint filed with the board.

D. With the exception of the requirements of subsections A and B of this section, a regulant must respond to an inquiry by the board or its agent within 21 days.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

Part VI. Training Programs and Examination

18VAC48-50-230. Training programs generally.

All training programs proposed for the purposes of meeting the requirements of this chapter must be approved by the board. Any or all of the approved training programs can be met using distance or online education technology. Training programs may be approved retroactively; however, no applicant will receive credit for the training program until such approval is granted by the board.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010.

18VAC48-50-240. Approval of common interest community manager training programs.

Each provider of a training program shall submit an application for program approval on a form provided by the board. In addition to the appropriate fee provided in 18VAC48-50-60, the application shall include but is not limited to:

1. The name of the provider;
2. Provider contact person, address, and telephone number;
3. Program contact hours;
4. Schedule of training program, if established, including dates, times, and locations;
5. Instructor information, including name, license or certificate number(s), if applicable, and a list of trade-appropriate designations, as well as a professional resume with a summary of teaching experience and subject-matter knowledge and qualifications acceptable to the board;
6. A summary of qualifications and experience in providing training under this chapter;
7. Training program and material fees; and
8. Training program syllabus.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-250. Introductory and comprehensive training program requirements.

A. In order to qualify as an introductory training program under 18VAC48-50-30 or 18VAC48-50-35, the introductory training program must include a minimum of 16 contact hours and the syllabus shall encompass all of the subject areas set forth in subsection C of this section.

B. In order to qualify as a comprehensive training program under 18VAC48-50-30 or 18VAC48-50-35, the comprehensive training program must include a minimum of 80 contact hours and the syllabus shall include at least 40 contact hours encompassing all of the subject areas set forth in subsection C of this section and may also include up to 40 contact hours in other subject areas approved by the board.

C. The following subject areas as they relate to common interest communities and associations shall be included in all comprehensive and introductory training programs. The time allocated to each subject area must be sufficient to ensure adequate coverage of the subject as determined by the board.

1. Governance, legal matters, and communications;
2. Financial matters, including budgets, reserves, investments, internal controls, and assessments;
3. Contracting;
4. Risk management and insurance;
5. Management ethics for common interest community managers;
6. Facilities maintenance; and
7. Human resources.

D. All training programs are required to have a final, written examination.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-253. Virginia common interest community law and regulation training program requirements.

In order to qualify as a Virginia common interest community law and regulation training program for renewal of certificates issued by the board, the common interest community law and regulation program must include a minimum of two contact hours and the syllabus shall encompass updates to Virginia laws and regulations directly related to common interest communities.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 28, Issue 11, eff. March 1, 2012; amended, Virginia Register Volume 33, Issue 20, eff. July 1, 2017.

18VAC48-50-255. Fair housing training program requirements.

In order to qualify as a fair housing training program for renewal of certificates issued by the board, the fair housing training program must include a minimum of two contact hours and the syllabus shall encompass Virginia fair housing laws and any updates, all as related to common interest communities.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 28, Issue 11, eff. March 1, 2012; amended, Virginia Register Volume 33, Issue 20, eff. July 1, 2017.

18VAC48-50-257. Documentation of training program completion required.

All training program providers must provide each student with a certificate of training program completion or other documentation that the student may use as proof of training program completion. Such documentation shall contain the contact hours completed.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-260. Maintenance of records.

All providers must establish and maintain a record for each student. The record shall include the student's name and address, the training program name and hours attended, the training program syllabus or outline, the name or names of the instructors, the date of successful completion, and the board's approved training program code. Records shall be available for inspection during normal business hours by authorized representatives of the board. Providers must maintain these records for a minimum of five years.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010.

18VAC48-50-270. Reporting of changes.

Any change in the information provided in 18VAC48-50-240 must be reported to the board within 30 days of the change with the exception of changes in the schedule of training program offerings, which must be reported within 10 days of

the change. Any change in information submitted will be reviewed to ensure compliance with the provisions of this chapter.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010.

18VAC48-50-280. Withdrawal of approval.

The board may withdraw approval of any training program for the following reasons:

1. The training program being offered no longer meets the standards established by the board.
2. The provider, through an agent or otherwise, advertises its services in a fraudulent or deceptive way.
3. The provider, instructor, or designee of the provider falsifies any information relating to the application for approval, training program information, or student records or fails to produce records required by 18VAC48-50-260.
4. A change in the information provided that results in noncompliance with 18VAC48-50-240, except for subdivision 4 of 18VAC48-50-240.
5. Failure to comply with 18VAC48-50-270.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010.

18VAC48-50-290. Examinations.

All examinations required for licensure or certification shall be approved by the board and administered by the board, a testing service acting on behalf of the board, or another governmental agency or organization.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

Part II. Entry**18VAC48-50-30. Qualifications for licensure as a common interest community manager.**

A. Firms that provide common interest community management services shall submit an application on a form prescribed by the board and shall meet the requirements set forth in § 54.1-2346 of the Code of Virginia, as well as the additional qualifications of this section.

B. Any firm offering management services as defined in § 54.1-2345 of the Code of Virginia shall hold a license as a common interest community manager. All names under which the common interest community manager conducts business shall be disclosed on the application. The name under which the firm conducts business and holds itself out to the public (i.e., the trade or fictitious name) shall also be disclosed on the application. Firms shall be organized as business entities under the laws of the Commonwealth of Virginia or otherwise authorized to transact business in Virginia. Firms shall register any trade or fictitious names with the State Corporation Commission in accordance with Chapter 5 of Title 59.1 (§ 59.1-69 et seq.) of the Code of Virginia before submitting an application to the board.

C. The applicant for a common interest community manager license shall disclose the firm's mailing address, the firm's physical address, and the address of the office from which the firm provides management services to Virginia common interest communities. A post office box is only acceptable as a mailing address when a physical address is also provided.

D. In accordance with § 54.1-204 of the Code of Virginia, each applicant for a common interest community manager license shall disclose the following information about the firm, the responsible person, and any of the principals of the firm:

1. All felony convictions.

2. All misdemeanor convictions in any jurisdiction that occurred within three years of the date of application.

3. Any plea of nolo contendere or finding of guilt regardless of adjudication or deferred adjudication shall be considered a conviction for the purposes of this section. The record of conviction certified or authenticated in such form as to be admissible in evidence under the laws of the jurisdiction where convicted shall be admissible as prima facie evidence of such guilt.

E. The applicant for a common interest community manager license shall submit evidence of a blanket fidelity bond or employee dishonesty insurance policy in accordance with § 54.1-2346 D of the Code of Virginia. Proof of current bond or insurance policy with the firm as the named bondholder or insured must be submitted in order to obtain or renew the license. The bond or insurance policy must be in force no later than the effective date of the license and shall remain in effect through the date of expiration of the license.

F. The applicant for a common interest community manager license shall be in compliance with the standards of conduct and practice set forth in Part V (18VAC48-50-140 et. seq.) of this chapter at the time of application, while the application is under review by the board, and at all times when the license is in effect.

G. The applicant for a common interest community manager license, the responsible person, and any principals of the firm shall be in good standing in Virginia and in every jurisdiction and with every board or administrative body where licensed, certified, or registered and the board, in its discretion, may deny licensure to any applicant who has been subject to, or whose principals have been subject to, or any firm in which the principals of the applicant for a common interest community manager license hold a 10% or greater interest have been subject to, any form of adverse disciplinary action, including reprimand, revocation, suspension or denial, imposition of a monetary penalty, required to complete remedial education, or any other corrective action, in any jurisdiction or by any board or administrative body or surrendered a license, certificate, or registration in connection with any disciplinary action in any jurisdiction prior to obtaining licensure in Virginia.

H. The applicant for a common interest community manager license shall provide all relevant information about the firm, the responsible person, and any of the principals of the firm for the seven years prior to application on any outstanding judgments, past-due tax assessments, defaults on bonds, or pending or past bankruptcies and specifically shall provide all relevant financial information related to providing management services as defined in § 54.1-2345 of the Code of Virginia. The applicant for a common interest community manager license shall further disclose whether or not one or more of the principals who individually or collectively own more than a 50% equity interest in the firm are or were equity owners holding, individually or collectively, a 10% or greater interest in any other entity licensed by any agency of the Commonwealth of Virginia that was the subject of any adverse disciplinary action, including revocation of a license, within the seven-year period immediately preceding the date of application.

I. An applicant for a common interest community manager license shall hold an active designation as an Accredited Association Management Company by the Community Associations Institute.

J. Prior to July 1, 2012, in lieu of the provisions of subsection I of this section, an application for a common interest community manager license may be approved provided the applicant certifies to the board that the applicant has:

1. At least one supervisory employee, officer, manager, owner, or principal of the firm who is involved in all aspects of the management services offered and provided by the firm and who has satisfied one of the following criteria:

a. Holds an active designation as a Professional Community Association Manager by Community Associations Institute;

b. Has successfully completed a comprehensive training program as described in 18VAC48-50-250 B, as approved by the board, and has at least three years of experience in providing management services, the quality of which

demonstrates to the board that the individual is competent to have supervisory responsibility or principal responsibility for management services;

c. Has successfully completed an introductory training program as described in 18VAC48-50-250 A, as approved by the board, and has at least five years of experience in providing management services, the quality of which demonstrates to the board that the individual is competent to have supervisory responsibility or principal responsibility for management services; or

d. Has not completed a board-approved training program but who, in the judgment of the board, has obtained the equivalent of such training program by documented course work that meets the requirements of a board-approved comprehensive training program as described in Part VI (18VAC48-50-230 et seq.) of this chapter and has at least 10 years of experience in providing management services, the quality of which demonstrates to the board that the individual is competent to have supervisory responsibility or principal responsibility for management services.

2. At least 50% of persons in the firm with principal responsibility for management services to a common interest community in the Commonwealth of Virginia have satisfied one of the following criteria:

a. Hold an active designation as a Professional Community Association Manager and certify having provided management services for a period of 12 months immediately preceding application;

b. Hold an active designation as a Certified Manager of Community Associations by the National Board of Certification for Community Association Managers and certify having two years of experience in providing management services. Of the required two years experience, a minimum of 12 months of experience must have been gained immediately preceding application;

c. Hold an active designation as an Association Management Specialist and certify having two years of experience in providing management services. Of the required two years experience, a minimum of 12 months of experience must have been gained immediately preceding application; or

d. Have completed a comprehensive or introductory training program, as set forth in 18VAC48-50-250 A or B, and passed a certifying examination approved by the board and certify having two years experience in providing management services. Of the required two years experience, a minimum of 12 months of experience must have been gained immediately preceding application.

K. Effective July 1, 2012, the applicant for a common interest community manager license shall attest that all employees of the firm who have principal responsibility for management services provided to a common interest community or who have supervisory responsibility for employees who participate directly in the provision of management services to a common interest community shall, within two years after employment with the common interest community manager, hold a certificate as a certified principal or supervisory employee issued by the board or shall be under the direct supervision of a certified principal or supervisory employee.

L. Effective July 1, 2012, in lieu of the provisions of subsection I of this section, an application for a common interest community manager license may be approved provided the applicant certifies to the board that the applicant has at least one supervisory employee, officer, manager, owner, or principal of the firm who is involved in all aspects of the management services offered and provided by the firm and who has satisfied one of the following criteria:

1. Holds an active designation as a Professional Community Association Manager by Community Associations Institute;

2. Has successfully completed a comprehensive training program as described in 18VAC48-50-250 B, as approved by the board, and has at least three years of experience in providing management services, the quality of which demonstrates to the board that the individual is competent to have supervisory responsibility or principal responsibility for management services;

3. Has successfully completed an introductory training program as described in 18VAC48-50-250 A, as approved by the board, and has at least five years of experience in providing management services, the quality of which demonstrates to the board that the individual is competent to have supervisory responsibility or principal responsibility for management services; or

4. Has not completed a board-approved training program but, in the judgment of the board, has obtained the equivalent of such training program by documented coursework that meets the requirements of a board-approved comprehensive

training program as described in Part VI (18VAC48-50-230 et seq.) of this chapter and has at least 10 years of experience in providing management services, the quality of which demonstrates to the board that the individual is competent to have supervisory responsibility or principal responsibility for management services.

M. The firm shall designate a responsible person.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012; Volume 36, Issue 17, eff. June 1, 2020.

18VAC48-50-35. Qualifications for certification as a certified principal or supervisory employee effective July 1, 2012.

A. Principal or supervisory employees requiring certification pursuant to § 54.1-2346 of the Code of Virginia shall meet the requirements of this section and submit an application for certification on or after July 1, 2012.

B. The applicant for certification shall be at least 18 years of age.

C. The applicant for certification shall have a high school diploma or its equivalent.

D. The applicant for certification shall provide a mailing address. A post office box is only acceptable as a mailing address when a physical address is also provided. The mailing address provided shall serve as the address of record.

E. In accordance with § 54.1-204 of the Code of Virginia, each applicant for certification shall disclose the following information:

1. All felony convictions.

2. All misdemeanor convictions that occurred in any jurisdiction within three years of the date of application.

3. Any plea of nolo contendere or finding of guilt regardless of adjudication or deferred adjudication shall be considered a conviction for the purposes of this section. The record of conviction certified or authenticated in such form as to be admissible in evidence under the laws of the jurisdiction where convicted shall be admissible as prima facie evidence of such guilt.

F. The applicant for certification shall be in compliance with the standards of conduct and practice set forth in Part V (18VAC48-50-140 et seq.) of this chapter at the time of application, while the application is under review by the board, and at all times when the certificate is in effect.

G. The applicant for certification shall be in good standing in Virginia and in every jurisdiction and with every board or administrative body where licensed, certified, or registered to provide management or related services; and the board, in its discretion, may deny certification to any applicant for certification who has been subject to any form of adverse disciplinary action, including but not limited to reprimand, revocation, suspension or denial, imposition of a monetary penalty, requirement to complete remedial education, or any other corrective action, in any jurisdiction or by any board or administrative body or surrendered a license, certificate, or registration in connection with any disciplinary action in any jurisdiction prior to obtaining certification in Virginia.

H. The applicant for certification shall provide all relevant information for the seven years prior to application on any outstanding judgments, past-due tax assessments, defaults on bonds, or pending or past bankruptcies, all as related to providing management services as defined in § 54.1-2345 of the Code of Virginia. The applicant for certification shall further disclose whether or not he was the subject of any adverse disciplinary action, including revocation of a license, certificate, or registration within the seven-year period immediately preceding the date of application.

I. An applicant for certification may be certified provided the applicant provides proof to the board that the applicant meets one of the following:

1. Holds an active designation as a Professional Community Association Manager by Community Associations Institute and certifies having provided management services for a period of three months immediately preceding application;
 2. Holds an active designation as a Certified Manager of Community Associations by the National Board of Certification for Community Association Managers and certifies having two years of experience in providing management services. Of the required two years experience, a minimum of six months of experience must have been gained immediately preceding application;
 3. Holds an active designation as an Association Management Specialist by Community Associations Institute and certifies having two years of experience in providing management services. Of the required two years experience, a minimum of three months of experience must have been gained immediately preceding application; or
 4. Has completed an introductory or comprehensive training program as set forth in 18VAC48-50-250 A or B and passed a certifying examination approved by the board and certifies having two years experience in providing management services. Of the required two years experience, a minimum of six months of experience must have been gained immediately preceding application.
- J. The applicant for certification shall provide the name of his employing common interest community manager, if applicable.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-37. Licensure and certification by reciprocity.

A. The board may waive the requirements of 18VAC48-50-30 I, J, and L and issue a license as a common interest community manager to an applicant who holds an active, current license, certificate, or registration in another state, the District of Columbia, or any other territory or possession of the United States provided the requirements and standards under which the license, certificate, or registration was issued are substantially equivalent to those established in this chapter and related statutes.

B. Effective July 1, 2012, the board may waive the requirements of 18VAC48-50-35 I and issue a certificate as a certified employee to an applicant who holds an active, current license, certificate, or registration in another state, the District of Columbia, or any other territory or possession of the United States provided the requirements and standards under which the license, certificate, or registration was issued are substantially equivalent to those established in this chapter and related statutes.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-40. Application denial.

The board may refuse initial licensure or certification due to an applicant's failure to comply with entry requirements or for any of the reasons for which the board may discipline a regulant.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

Part III. Fees

18VAC48-50-50. General fee requirements.

All fees are nonrefundable and shall not be prorated. The date on which the fee is received by the department or its agent will determine whether the fee is on time. Checks or money orders shall be made payable to the Treasurer of Virginia.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 10, eff. April 1, 2010.

18VAC48-50-60. Fee schedule.

| Fee Type | Fee Amount | Recovery Fund Fee* (if applicable) | Total Amount Due | When Due |
|---|------------|------------------------------------|------------------|--------------------------|
| Initial Common Interest Community Manager Application | \$100 | + 25 | \$125 | With application |
| Common Interest Community Manager Renewal | \$100 | | \$100 | With renewal application |
| Common Interest Community Manager Reinstatement (includes a \$200 reinstatement fee in addition to the regular \$100 renewal fee) | \$300 | | \$300 | With renewal application |
| Certified Principal or Supervisory Employee Initial Application | \$75 | | \$75 | With application |
| Certified Principal or Supervisory Employee Renewal | \$75 | | \$75 | With renewal application |
| Certified Principal or Supervisory Employee Reinstatement (includes a \$75 reinstatement fee in addition to the regular \$75 renewal fee) | \$150 | | \$150 | With renewal application |
| Training Program Provider Initial Application | \$100 | | \$100 | With application |
| Training Program Provider Additional Program | \$50 | | \$50 | With application |
| *In accordance with § 54.1-2354.5 of the Code of Virginia. | | | | |

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012; Volume 35, Issue 19, eff. July 1, 2019; Volume 36, Issue 3, eff. November 1, 2019.

18VAC48-50-70. (Repealed.)**Statutory Authority****Historical Notes**

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; repealed, Virginia Register Volume 35, Issue 19, eff. July 1, 2019.

18VAC48-50-80. (Repealed.)**Statutory Authority****Historical Notes**

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012; Volume 35, Issue 19, eff. July 1, 2019; repealed, Virginia Register Volume 36, Issue 3, eff. November 1, 2019.

Part IV. Renewal and Reinstatement**18VAC48-50-90. Renewal required.**

A license issued under this chapter shall expire one year from the last day of the month in which it was issued. A certificate issued under this chapter shall expire two years from the last day of the month in which it was issued. A fee shall be required for renewal.

Statutory Authority

§ 54.1-2349 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended, Virginia Register Volume 28, Issue 11, eff. March 1, 2012; Volume 36, Issue 3, eff. November 1, 2019.

FORMS (18VAC48-50).

[Common Interest Community Manager Change of Personnel Form, A492-0501MGTCHG-v2 \(rev. 10/2018\)](#)

[Common Interest Community Manager License Renewal Application, A492-0501REN-v4 \(rev. 11/2019\)](#)

[Common Interest Community Manager Training Program Approval Application, A492-05TRAPRV-v3 \(rev. 10/2018\)](#)

[Experience Verification Form, A492-0501_10EXPv2 \(rev. 10/2018\)](#)

[Common Interest Community Manager License Application, A492-0501LIC-v5 \(rev. 4/2020\)](#)

[Common Interest Community Manager Principal or Supervisory Employee Certificate Application, A492-0510CERT-v2 \(rev. 10/2018\)](#)

[Principal or Supervisory Employee Certificate Renewal Form, A492-0510REN-v2 \(rev. 10/2018\)](#)

[Common Interest Community Manager Application Supplement Comprehensive Training Program Equivalency Form, A492-0501TREQ-v2 \(rev. 10/2018\)](#)

Statutory Authority**Historical Notes**

Website addresses provided in the Virginia Administrative Code to documents incorporated by reference are for the reader's convenience only, may not necessarily be active or current, and should not be relied upon. To ensure the information incorporated by reference is accurate, the reader is encouraged to use the source document described in the regulation.

As a service to the public, the Virginia Administrative Code is provided online by the Virginia General Assembly. We are unable to answer legal questions or respond to requests for legal advice, including application of law to specific fact. To understand and protect your legal rights, you should consult an attorney.

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OMBUDSMAN REPORT

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2021 LEGISLATIVE UPDATE

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DEPARTMENT OF PROFESSIONAL & OCCUPATIONAL REGULATION

Training Program Review Committee

Maureen Baker

Chair

Jim Foley

VACANCY

Drew Mulhare
Ex Officio Member

Katie Waddell

Trisha L. Henshaw, Executive Director
(804) 367-0362
August 17, 2020

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DPOR UPDATES AS IT RELATES TO COVID-19 RESPONSE

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Department of Professional and Occupational Regulation
Statement of Financial Activity

Common Interest Community Board
954520

2020-2022 Biennium

January 2021

| | January 2021 Activity | Biennium-to-Date Comparison | |
|---|--------------------------|-----------------------------|-----------------------------|
| | | July 2018 - January 2019 | July 2020 - January 2021 |
| Cash/Revenue Balance Brought Forward | | | 15,716 |
| Revenues | 53,163 | 531,437 | 295,609 |
| Cumulative Revenues | | | 311,325 |
| Cost Categories: | | | |
| Board Expenditures | 35,571 | 262,572 | 267,404 |
| Board Administration | 0 | 0 | 0 |
| Administration of Exams | 0 | 0 | 0 |
| Enforcement | 11,410 | 82,672 | 84,851 |
| Legal Services | 523 | 477 | 1,569 |
| Information Systems | 5,998 | 50,481 | 43,074 |
| Facilities and Support Services | 1,948 | 41,369 | 40,094 |
| Agency Administration | 3,777 | 30,974 | 29,478 |
| Other / Transfers | 0 | 0 | 0 |
| Total Expenses | 59,228 | 468,546 | 466,470 |
| Transfer To/(From) Cash Reserves | (6,065) | 0 | (155,145) |
| Ending Cash/Revenue Balance | | | 0 |

| | | | |
|---------------------------------------|-----------|---|-----------|
| Cash Reserve Beginning Balance | 2,992,393 | 0 | 3,141,474 |
| Change in Cash Reserve | (6,065) | 0 | (155,145) |
| Ending Cash Reserve Balance | 2,986,328 | 0 | 2,986,328 |

Number of Regulants

| | |
|---------------------------|-------|
| Current Month | 7,505 |
| Previous Biennium-to-Date | 7,166 |

**VIRGINIA COMMON INTEREST
COMMUNITY MANAGEMENT
RECOVERY FUND**

Financial Statements

Cash Basis

For the Month Ended
October 31, 2020

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DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
VIRGINIA COMMON INTEREST COMMUNITY MANAGEMENT
RECOVERY FUND
BALANCE SHEET
GOVERNMENTAL FUNDS
October 31, 2020

| | Special Revenue Funds | | |
|---|-----------------------|------------------|-------------------|
| | Principal | Interest | Totals |
| ASSETS | | | |
| CASH AND CASH EQUIVALENTS | \$ 215,797 | \$ 11,266 | \$ 227,063 |
| TOTAL ASSETS | \$ 215,797 | \$ 11,266 | \$ 227,063 |
| FUND BALANCES | | | |
| RESERVED FOR PAYMENT OF FUTURE CLAIMS | \$ 215,797 | \$ - | \$ 215,797 |
| RESERVED FOR ADMINISTRATION OF RECOVERY ACT | - | 11,266 | 11,266 |
| TOTAL FUND BALANCES | \$ 215,797 | \$ 11,266 | \$ 227,063 |

The accompanying notes are an integral part of this statement.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
VIRGINIA COMMON INTEREST COMMUNITY MANAGEMENT RECOVERY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE MONTH ENDED
October 31, 2020

| | MONTH OF OCTOBER | | | YEAR TO DATE | | |
|-----------------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
| | Principal Fund | Interest Fund | Totals | Principal Fund | Interest Fund | Totals |
| REVENUES: | | | | | | |
| Assessments: | \$ 525 | \$ - | \$ 525 | \$ 2,200 | \$ - | \$ 2,200 |
| Investment Income | - | 26 | 26 | - | 133 | 133 |
| Total Revenues: | <u>525</u> | <u>26</u> | <u>551</u> | <u>2,200</u> | <u>133</u> | <u>2,333</u> |
| EXPENDITURES: | | | | | | |
| Administrative Expense | - | - | - | - | - | - |
| Total Expenses: | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | <u>525</u> | <u>26</u> | <u>551</u> | <u>2,200</u> | <u>133</u> | <u>2,333</u> |
| Beginning Fund Balance | <u>215,272</u> | <u>11,241</u> | <u>226,513</u> | <u>213,597</u> | <u>11,133</u> | <u>224,730</u> |
| Ending Fund Balance | <u>\$ 215,797</u> | <u>\$ 11,266</u> | <u>\$ 227,063</u> | <u>\$ 215,797</u> | <u>\$ 11,266</u> | <u>\$ 227,063</u> |

The accompanying notes are an integral part of this statement.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
 VIRGINIA COMMON INTEREST COMMUNITY MANAGEMENT RECOVERY FUND
 SUPPLEMENTAL SCHEDULE OF CLAIMS PAID
 October 31, 2020

| CLAIMS PAID: | Number of Payments | Dollar Amount of Claims Paid | Related Recoveries | Net Payments |
|------------------------------|-----------------------|---------------------------------|-----------------------|-----------------|
| July 1, 2020 - June 30, 2021 | 0 | \$0.00 | \$0.00 | \$0.00 |
| July 1, 2019 - June 30, 2020 | 0 | \$0.00 | \$0.00 | \$0.00 |
| July 1, 2018 - June 30, 2019 | 0 | \$0.00 | \$0.00 | \$0.00 |
| July 1, 2017 - June 30, 2018 | 0 | \$0.00 | \$0.00 | \$0.00 |
| July 1, 2016 - June 30, 2017 | 0 | \$0.00 | \$0.00 | \$0.00 |
| July 1, 2015 - June 30, 2016 | 0 | \$0.00 | \$0.00 | \$0.00 |
| July 1, 2014 - June 30, 2015 | 0 | \$0.00 | \$0.00 | \$0.00 |
| July 1, 2013 - June 30, 2014 | 0 | \$0.00 | \$0.00 | \$0.00 |
| July 1, 2012 - June 30, 2013 | 0 | \$0.00 | \$0.00 | \$0.00 |
| July 1, 2011 - June 30, 2012 | 0 | \$0.00 | \$0.00 | \$0.00 |
| July 1, 2010 - June 30, 2011 | 0 | \$0.00 | \$0.00 | \$0.00 |
| July 1, 2009 - June 30, 2010 | 0 | \$0.00 | \$0.00 | \$0.00 |
| July 1, 2008 - June 30, 2009 | 0 | \$0.00 | \$0.00 | \$0.00 |
| Total | <u>0</u> | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$0.00</u> |

This schedule is presented on a cash basis and represents aggregate claims paid and related recoveries. Recoveries are often received and reported in a different year from when the claim was paid.

DEPARTMENT OF PROFESSIONAL AND OCCUPATION REGULATION
VIRGINIA COMMON INTEREST COMMUNITY MANAGEMENT RECOVERY FUNDS
NOTES TO FINANCIAL STATEMENTS

October 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain significant accounting policies employed by the Department of Professional and Occupational Regulation in administering the Virginia Common Interest Community Management Recovery Fund.

A. Basis of Presentation

The accompanying financial statements have been prepared using governmental fund accounting as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements are prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

B. Reporting Entity

These financial statements report the financial activity of the Virginia Common Interest Community Management Recovery Fund, which is administered by the Department of Professional and Occupational Regulation. The Department exercises oversight authority over other funds which are not included in these financial statements.

C. Financial Statement Presentation

Special Revenue Funds account for transactions related to resources received and used for restricted or specific purposes. The Virginia Common Interest Community Management Recovery Fund, which is reported as a special revenue fund, is established under Section 55-530.1 of the *Code of Virginia* to reimburse associations for losses that occur when their community manager fails to perform his or her fiduciary responsibilities.

D. Measurement Focus and Basis of Accounting

The governmental fund financial statements are reported using the current financial resources measurement focus and the cash basis of accounting. Revenues are recognized when cash is received and expenditures are recorded when paid. The Department uses the cash basis of accounting during the year and prepares financial statements in accordance with generally accepted accounting principles at year end.

E. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and investments in the Local Government Investment Pool (LGIP). Investments in the Local Government Investment Pool are reported as cash equivalents since they are readily convertible to cash.

2. RESTRICTED FUND BALANCES

Assets held in the Virginia Common Interest Community Management Recovery Funds are restricted to the payment of claims in accordance with Section 55.530.1H of the *Code of Virginia*. Interest earned on the deposits is used to pay the expenses of administering the fund, to pay claims, or may be transferred to the Common Interest Community Management Information Fund.

3. ASSESSMENTS

The Common Interest Community Management Recovery Fund is financed through assessments. Each new common interest community manager pays a \$25 assessment into the Recovery Fund at the time of application. Each association pays \$25 into the Recovery Fund at the time of filing its first annual report. After July 1, 2011, the *Code of Virginia* requires the Board to transfer funds from the Common Interest Community Management Information Fund and/or assess each association and each common interest community manager additional fees whenever the principal balance of the Recovery Fund is less than \$150,000. If the principal balance of the fund exceeds \$5,000,000 on June 30 of any year, the Board must transfer the excess to the Virginia Housing Partnership Revolving Fund.

* These financial statements are prepared by Jordan Perryman, Fund Accountant. Please call 804-367-4003 if you have questions.

The accompanying notes are an integral part of this statement.

STAFF EVENT CALENDAR

| | | |
|-----------------------|--|-----------------|
| Date to be Determined | ZOOM Presentation: Rees Broome | Heather |
| December 8, 2020 | CIC Workgroup Meeting Virginia Housing Commission | Trisha, Heather |

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ELECTION OF OFFICERS

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OTHER BUSINESS

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ADJOURN

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