

# Community Associations Institute Files Amicus Brief with U.S. Supreme Court Challenging Corporate Transparency Act

*CAI argues the CTA improperly targets nonprofit community associations and volunteer homeowner leaders.*

FALLS CHURCH, VA, UNITED STATES, May 18, 2026 /EINPresswire.com/ -- [Community Associations Institute](#), the leading international authority on community association housing, filed an amicus curiae brief with the U.S. Supreme Court today in *National Small Business Association v. United States Department of the Treasury*, No. 25-1201, supporting the National Small Business Association's petition challenging the constitutionality of the Corporate Transparency Act.



The amicus brief argues the Corporate Transparency Act exceeds Congress' authority under the Commerce Clause when applied to nonprofit community associations, which are locally governed, volunteer-led organizations created under state law to govern, manage, and maintain residential communities.

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*Dawn Bauman, CAE*

CAI maintains the Corporate Transparency Act was designed to target anonymous shell corporations and illicit financial activity, not locally governed nonprofit community associations operated by volunteer homeowners. The organization argues community associations were unintentionally captured by the law's broad reporting framework despite serving fundamentally different

purposes than the foreign and commercial entities the legislation sought to address.

“Community associations are fundamentally local, volunteer-driven organizations created under state law to serve homeowners and maintain residential communities,” says Todd A. Sinkins of Whiteford, Taylor & Preston LLP, counsel for CAI. “The Corporate Transparency Act was designed to combat anonymous shell companies engaged in illicit financial activity, not nonprofit condominium associations and homeowners associations led by volunteer residents. Applying these reporting requirements to community associations exceeds the intended reach of the law and places unnecessary burdens on volunteer homeowners.”

“Community associations are among the most transparent forms of governance in the country because homeowners, board members, and governing records already exist publicly through state and local processes,” says Edmund Allcock of Allcock Marcus LLC, counsel for CAI. “Requiring volunteer board members to submit personal identifying information to a federal database creates significant privacy concerns and could discourage residents from stepping forward to volunteer to serve their communities.”

The Supreme Court filing states that community associations are created through wholly intrastate action and primarily conduct local, noncommercial activities such as maintaining common property, coordinating community operations, and organizing resident activities. CAI argues these activities fall outside the intended reach of federal commerce regulations under the CTA.

The brief also highlights concerns that the CTA’s beneficial ownership reporting requirements could place significant administrative and legal burdens on volunteer board members serving condominium associations, homeowners associations, and housing cooperatives across the country.

“Volunteer board members are essential to the success and operation of community associations across the country,” says Dawn M. Bauman, CAE, chief executive officer of Community Associations Institute. “These are homeowners volunteering their time to help maintain their communities, oversee budgets, and provide services residents rely on every day. CAI remains committed to protecting volunteer leaders from unnecessary federal mandates that create confusion, administrative burdens, and privacy concerns for millions of Americans living in community associations.”

According to the [Foundation for Community Association Research](#), more than 78 million Americans live in over 373,000 community associations nationwide, representing roughly 35.2% of the U.S. population.

CAI has consistently advocated for exempting community associations from the Corporate Transparency Act and previously filed amicus briefs supporting constitutional challenges to the law in federal court.

CAI’s amicus brief was drafted with leadership from College of Community Association Lawyers

fellows Edmund Allcock, Robert Diamond, Todd Sinkins, Thomas Ware, Julie Howard, and Brendan Bunn.

Last year, the Financial Crimes Enforcement Network issued an interim final rule exempting domestic entities, including U.S.-based community associations, from beneficial ownership reporting requirements under the CTA. While enforcement is currently paused for domestic entities, the law remains in place pending future rulemaking and ongoing legal challenges.

CAI also continues supporting federal legislative efforts to repeal the CTA entirely, including H.R. 425, which recently advanced through the House Financial Services Committee.

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