CAI Applauds Permanent Reporting Relief for Community Associations Under the Corporate Transparency Act

FinCEN final rule permanently removes reporting requirements for community association board members following CAI's multi-year advocacy and legal efforts.

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> *Dawn Bauman, CAE*

LOS ANGELES, CA, UNITED STATES, August 12, 2026 /EINPresswire.com/ -- Community Associations Institute applauds a long-awaited final rule that permanently removes burdensome federal reporting requirements for U.S. companies and U.S. persons, including community association board members. The decision by the U.S. Treasury Department's Financial Crimes Enforcement Network makes that regulatory relief permanent for homeowners associations, condominium associations, and housing cooperatives following CAI's multi-year effort to protect volunteer board members from requirements to file personal information under the Corporate Transparency Act.

"This final rule is a significant victory for community associations and the millions of Americans who call them home," says Dawn M. Bauman, CAE, chief executive officer of CAI. "CAI has consistently advocated to protect community association board members from reporting requirements that were never intended for volunteer leaders serving their neighbors and communities."

According to the Foundation for Community Association Research, an estimated 78.1 million Americans live in 373,000 community associations nationwide. More than 2.5 million homeowner volunteers serve on community association boards and committees, contributing an estimated 102.6 million hours of service annually valued at $3.57 billion. These volunteer leaders play an essential role in governing and maintaining their communities.

CAI has advocated for community association board members to be exempt from the CTA's reporting requirements since the law's implementation raised significant compliance and privacy concerns for associations and their volunteer leaders.

As part of its multi-year effort to protect community associations, CAI engaged with federal policymakers and FinCEN, submitted regulatory comments, mobilized advocates, and educated community association leaders and professionals about the evolving requirements. In September 2024, CAI also filed a federal lawsuit against the U.S. Department of the Treasury challenging the application of the Corporate Transparency Act to community associations and seeking relief from reporting requirements.

Community associations are typically governed by volunteer homeowners elected to serve on their boards. CAI maintained that these volunteer leaders were unintentionally caught within a law intended to combat money laundering and other illicit financial activity and should not be subject to requirements designed to identify beneficial owners of companies.

FinCEN initially provided relief in March 2025 through an interim final rule exempting entities created in the United States and U.S. persons from beneficial ownership reporting. The final rule makes those exemptions permanent.

Under the final rule:

• U.S. companies and U.S. persons, including community association board members, are permanently exempt from beneficial ownership information reporting requirements.

• U.S. persons who obtained FinCEN identifiers are not required to update or correct information previously provided to FinCEN.

• FinCEN will implement a process to delete previously reported information that it reasonably believes was provided by U.S. persons, including information previously submitted by community association board members.

• Certain foreign entities registered to do business in the United States remain subject to reporting requirements for foreign individuals.

"While this final rule provides permanent regulatory relief, the Corporate Transparency Act remains federal law," Bauman says. "CAI continues to support congressional action to fully repeal the law and provide lasting certainty for community associations and their volunteer leaders."

CAI continues to support H.R. 425, the Repealing Big Brother Overreach Act, which would fully repeal the CTA. The final rule becomes effective upon publication in the Federal Register.

For more information on CAI's multi-year initiative to exempt community association board members from Corporate Transparency Act reporting requirements, visit CAI's Corporate Transparency Act resource page.

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