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# **Community Association Legal Webinar – 2026**

## **June 8 Session - Topics:**

**Virginia Legislative Update- Jerry M. Wright, Jr., Esq.**

**Enforcement of Judgments – Brad M. Barna, Esq.**

**Q&A**



**Community Association Legal Webinar - 2025**

# **Introductions & Welcome**

**Michael Gartner**

# **Legal Disclaimer**

This information is not intended to be legal advice. Legal advice must be tailored to the specific facts and circumstances of each case and each association's governing documents.

Every effort has been made to ensure this information is up-to-date. However, it is not intended to be a full and exhaustive explanation of the law in any area, nor should it be used to replace the individualized advice of your legal counsel.



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# **Virginia Legislative+ Update**

**Presented by Jerry M. Wright**

# Hot Topics

- Corporate Governance
- Assessment Collection
- Fair Housing (lite)
- *Plus Fannie Mae...?*

# Corporate Governance

SB 246 / HB 439

## American Bar Association Recommended Changes

- Significant overhaul of Virginia Nonstock Corporation Act
- Lobbied to ensure impact on incorporated community associations is limited

## Only applies to associations which are incorporated

- All property owners' associations / homeowners' associations
- Some condominiums

Effective date: **January 1, 2027**

# Assessment Collection

- Several bills introduced will impact assessment collection efforts
- Policy Rationale: *Consumer Protection*
- HB 444
- HB 601 & SB 301

# Assessment Collection

HB 444

## **Uniform Consumer Debt Default Judgments Act**

### New Pleading Standards for Assessment Collection

- Associations must plead more about debt to obtain default judgment (>50% of cases)
- Likely going to result in increases in collection costs

Effective date: **July 1, 2027**

*Bill to be studied extensively with additional changes coming in 2027 Session prior to Effective Date*

# Assessment Collection

HB 601 & SB 30

## Garnishments

- Bank garnishments automatically exempted up to \$1k
- Consumers with limited funds are protected from having their bank accounts wiped out

Effective date: **July 1, 2026**

# Fair Housing

SB 803

## Fair Housing Rulemaking

- Requires Fair Housing Board to adopt rules regarding quid pro quo and hostile housing environment harassment
- Implementation of federal standards

Effective date: **July 1, 2026**

# Miscellaneous

## Balcony Solar

- HB 395 & SB 250
- These bills implement legislative changes that will allow homeowners and residents to use small portable solar generation devices
- Specific carveouts in legislation preserve covenants
- Existing community association solar panel statutes are NOT changed
  - POA Act, Section 55.1-1820.1
  - Condo Act, Section 55.1-1951.1

Effective date: **July 1, 2026**

# Miscellaneous

## E-Bikes

- HB 1120
- DMV to create a workgroup to make recommendations to improve the safety of electric power-assisted bicycles, etc.
- Legislation anticipated in 2027

Effective date: **July 1, 2026**

# Miscellaneous

## Swimming Pool Regulations

- HB 222
- Virginia Department of Health to prepare new regulations for operation of “public” swimming pools
- Community association pools are considered “public” and likely will be subject to new regulations
- Draft regulations in process and under review by stakeholder groups

Effective date: **July 1, 2026**

# Condo Lending Guidelines

## Fannie Mae & Freddie Mac

- Fannie and Freddie support mortgage market by purchasing mortgages and bundling them for sale as mortgage-backed securities [60% of all mortgages]
- Only mortgages which meet lending standards eligible for purchase
  - Generally focused on individual getting mortgage to buy home
  - Separate standards for condominiums
- March 2026: Changes announced to condo lending standards
- If condo ineligible, then mortgages likely unavailable for units

*Does not impact operations of property owners' associations!*

# Condo Lending Guidelines

## *Quick Aside #1*

**THIS IS NOT FHA!!!**

**FHA loans and guidelines are different.**

# Condo Lending Guidelines

## *Quick Aside #2*

**THIS IS NOT LAW!!!**

**These guidelines do NOT expand association authority.**

# Condo Lending Guidelines

## Changes to Standards Reserves

- Minimum Contribution: All condos must budget for a reserve contribution of **at least 15%** of total assessment income
- Exception: A condominium may budget less than 15% if supported by reserve study
  - Reserve study must not be older than 3 years
  - “Support” for lower contribution must be “highest recommended” contribution shown in reserve study
  - Baseline Funding Method is not acceptable

Applies for budgets in effect as of: **January 1, 2027**

# Condo Lending Guidelines

## Changes to Standards Insurance

- Changes to Master Policy Requirements
  - No inflation guard required [lower premium]
  - Roofs can be insured on actual cash value [lower premium]
  - *Note: these options may help condos reduce premiums but there are risks with these 'lesser' options!*

These are very technical changes –  
*Consult with your insurance agent/broker!*

# Condo Lending Guidelines

## Changes to Standards Insurance

- Per Unit Deductibles
  - Maximum *per unit* deductible allowed is \$50k
  - Unit owners with mortgages required to have HO6 policy that covers master policy deductible

These are very technical changes –  
*Consult with your insurance agent/broker!*



**Community Association Legal Webinar - 2026**

# **Enforcement of Judgments**

**Presented by Brad Barna**

# Enforcement of Judgments: Overview

Part 1 – Post-Judgment Collection Tools

Part 2 – What YOU Can Do to Help

# Part I: Post-Judgment Collection Tools

1. Recording the Judgment
2. Asset Discovery
  - Debtor's Interrogatories
  - Private Investigator
3. Garnishment
  - Wage
  - Bank
  - Rent
4. Attachment (Writ of "Fi Fa")
5. Foreclosure

# Recording the Judgment

*Why do it?*

# Asset Discovery: Interrogatories

# Asset Discovery: Private Investigators

# Garnishments

# Garnishment: Wage Garnishment

# Garnishment: Bank Garnishment

# Garnishment: Rent Garnishment

# Attachment – Writ of Fieri Facias (“Fi Fa”)

1. Authorizes Sheriff to seize & sell certain personal property of debtor to satisfy judgment.
2. Most often, personal property is either statutorily exempt from seizure or not valuable enough

# Attachment – Types of Property Attached

## 1. Vehicles

- ✓ Automobiles
- ✓ Motorcycles
- ✓ RVs

## 2. Personal Property

- ✓ Stereos
- ✓ TVs
- ✓ Musical Instruments

- After property is attached (seized) by sheriff, association must post “Sheriff’s Bond” and then Sheriff schedules public auction
- Sold for pennies on the dollar

# Foreclosure

# Foreclosure – What is it?

1. Association petitions the Court to allow it to sell the debtor's property to satisfy the Association's liens=
2. Recent revisions to the POA Act and Condominium Act impose debt minimums for foreclosure action – *assessment balance on liens* must exceed \$5,000. However, liens are now valid for 120 months (10 years) instead of 36 months (3 years)
3. Foreclosure should be viewed as a remedy of last resort; it can be costly if cancelled, if no bidder/purchaser, or if its contested
4. NOT appropriate for all lots/units

# Foreclosure – Factors to Consider

1. Other remedies?
2. Existence of a lien and authority to foreclose (meet the minimums?)
3. Marketable title/ substantial equity? Review title work
4. Costs of foreclosure
5. Real Estate Market Conditions
6. Competing foreclosure?

# Part II: How can YOU help?

1. Provide information available on debtor to attorney's office
2. Useful information includes:
  - Canceled Checks
  - Bank Account Info
  - Debtor's Current Employer
  - Alternate Address of Debtor
  - Name of Renters / Copy of Lease

# Ways To Gather Useful Information

1. Occupant information forms
2. Copies of leases on file
3. Vehicle Registration for Parking on Common Area
4. Applications to Rent Facilities
5. Retain (or obtain) cancelled checks
6. Debtor's email address (work related?)
7. Debtor's clothing/vehicle show employer's name?

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**ANY QUESTIONS?**

**. . . Time for breakout sessions**