

RUNNING THE BUILDING YOU LIVE IN

A plain-English guide for condo and townhome owners

Maureen Moran

ABR® · SRES® · SRS · LHC · RSPS

@PROPERTIES CHRISTIE'S INTERNATIONAL REAL ESTATE

Serving Lincoln Park, Gold Coast, Old Town, Lakeview, Bucktown, Wicker Park & beyond.

Laws change, and so do your association's own governing documents. This guide is general information, not legal advice.

A THOUGHT BEFORE YOU BEGIN

Whether a building has six homes or six hundred, the same Illinois law covers it.





In a larger building (20+ homes), a property management company usually helps run things, depending on the contract. It keeps the board on track, notifies owners of meetings and deadlines, and keeps the board current on changes in the law and lending standards. It also recommends and manages vendors at the board's direction, collects assessments, pays vendors, and keeps the records.

In small, self-managed buildings, the homeowners are not professional property managers, so they may not know when rules, lending standards, or laws change, or when those changes apply.

The Illinois Condominium Property Act covers condos of every size. A few rules differ for very small buildings, so ask your attorney.

Most trouble in small buildings is not on purpose.

This guide shows you the shape of the rules, where the deadlines live, and which questions to ask a professional. It will not tell you what to do in your own building.

I am not an attorney. Your own recorded papers, and an Illinois association attorney, have the final say.

Maureen Moran | @properties Christie's International Real Estate

Sources: Illinois Condominium Property Act, 765 ILCS 605; IDFPR Ombudsperson.
Laws change, and so do your association's own governing documents. This guide is general information, not legal advice.



WHO IS THIS FOR

This guide may help if:
→ You stepped up to serve on your building's board because you care about your home and your neighbors.

→ You are the treasurer, and you look at the savings balance and wonder if it is enough.

→ You own a condo or townhome, and want to know what the board can and cannot do.

→ You are thinking about buying into a small building.

→ You may sell in the next few years, and want your building's papers in good shape.

→ You want to know what you are allowed to ask the board to show you.

★★★★★

"Maureen Moran is one of the most ethical real estate brokers that you will find. … She is totally honest regarding disclosures."

— Stuart Zwang, home inspector, Home Raters

Maureen Moran | @properties Christie's International Real Estate

Laws change, and so do your association's own governing documents. This guide is general information, not legal advice.

THREE THINGS WORTH KNOWING FIRST



Illustration

1. What you own determines which law applies.

Condo, townhome, or a house in an association: the answer decides which Illinois law covers you. The next page shows how to tell.

2. Your own papers do not beat the law.

Your building has a declaration, bylaws, and rules. If one of them goes against Illinois law, the law wins.

Many buildings still follow papers written in the 1970s or 1980s. Those papers may not match today's law.

A good question to ask: when did we last read our declaration from start to finish?

3. Most big board decisions need notice.

Notice is not a nice extra. It is a rule, counted in hours or days. A good decision can still be challenged if the notice was not given.

Maureen Moran | @properties Christie's International Real Estate

Sources: Illinois Condominium Property Act, 765 ILCS 605; IDFPR Ombudsperson FAQ 10.
Laws change, and so do your association's own governing documents. This guide is general information, not legal advice.



Illustration

WHICH LAW APPLIES TO YOU

You own a unit in a building and share the halls, roof, and yard with neighbors. This is a condo. The Illinois Condominium Property Act covers you. Your main paper is called a Declaration of Condominium.

You own your own house and land, but pay into a shared association. This is a common interest community. The Common Interest Community Association Act may cover you, but only if the group is big enough: at least 11 homes, and more than $100,000 a year in fees. Ask your attorney if you are near those lines.

Your group is too small for that law, and it is a not-for-profit corporation? Then the Illinois General Not For Profit Corporation Act may apply.

Many small Chicago buildings, like two-unit, three-unit, and six-unit buildings, are often set up as condos.

Maureen Moran | @properties Christie's International Real Estate

Sources: Illinois Condominium Property Act, 765 ILCS 605. IDFPR, "Which Illinois Law Governs My Homeowners Association?" (idfpr.illinois.gov). Laws change, and so do your association's own governing documents. This guide is general information, not legal advice.

WHICH DOCUMENT TAKES PRIORITY



Many buildings have four or five layers of documents, added over many years. When two of them disagree, there is an order.

1. Federal law. Some laws apply to every building in the country. No declaration, bylaw, or rule can go against them. The Fair Housing Act is one example. An association cannot treat owners or buyers differently because of race, color, religion, sex, national origin, family status, or disability. If a rule would break a federal law, the law wins.
2. Illinois law. It wins over anything below it.
3. The declaration. It is recorded with the county, stays with the land, and binds every owner who buys in later.
4. The bylaws. They say how the board works: how many people sit on it, how often you meet, and how notice is given.
5. The rules. These cover daily life: noise, pets, parking, move-ins, and fixing up homes.

Owners and renters must follow all five.

Worth remembering: if a document conflicts with the law, the law wins.

Maureen Moran | @properties Christie's International Real Estate

Sources: Illinois Condominium Property Act, 765 ILCS 605; Common Interest Community Association Act, 765 ILCS 160.
Laws change, and so do your association's own governing documents. This guide is general information, not legal advice.

WHAT THE BOARD OWES THE OWNERS



The board must act with care.
The Act says the board must "exercise the care required of a fiduciary of the unit owners." In plain words: put the building first, and stay away from conflicts of interest.

What the board does.

- Take care of the shared parts of the building.
- Make the yearly budget and tell owners about it.
- Set fees and collect them from owners.
- Buy enough insurance.
- Hire and manage workers.
- Keep clear money records.
- Pass rules, and fine for broken rules only after notice and a chance to be heard.

Good news for board members.
The Act requires the association to carry directors and officers insurance for board members acting in that role. Following the law and the right steps, and acting for the building, also makes your decisions much easier to defend.

Maureen Moran | @properties Christie's International Real Estate

Sources: Illinois Condominium Property Act, 765 ILCS 605, Sections 12 and 18.4. Laws change, and so do your association's own governing documents. This guide is general information, not legal advice.

HOW A MEETING SHOULD WORK

Many small boards get this part wrong. It is also the easiest to fix.



Illustration

Notice. Give every board member notice at least 48 hours ahead. Also post it in a common area at least 48 hours ahead. Owners who agreed to email notice should get it too, and your documents may require notice to all owners.

Quorum. Votes happen at a noticed open meeting. Enough board members must be there the whole time, not just at the start.

Minutes. Write them down and keep them.

Closed session. Only six are allowed: lawsuits, hiring or firing workers or vendors, interviews with possible workers or vendors, rule violations, owners who are behind on fees, and talks with the association's lawyer.

Small buildings are casual, and that is normal. It is also where the risk is.

Maureen Moran | @properties Christie's International Real Estate

Sources: Illinois Condominium Property Act, 765 ILCS 605, Section 18(a)(9) and Section 18.4.
Laws change, and so do your association's own governing documents. This guide is general information, not legal advice.

THE BUDGET AND THE REPAIR FUND



Illustration

Adopt the budget the right way.
Send every owner the proposed budget at least 25 days before the board adopts it. Give owners written notice of the budget meeting 10 to 30 days ahead, and post it at least 48 hours ahead. A majority of the board members present, at an open meeting with a quorum there the whole time, must approve it.

Plan for big repairs.
The budget must set aside a reasonable amount for future big repairs. This is called the reserve. Think about how long the roof, boiler, and other parts will last, what they will cost, and any reserve study you have.

If you do not follow a reserve study, talk about why at the budget meeting and write it in the minutes.

If your papers do not require reserves, owners can vote, by two-thirds of all votes, to waive them in whole or in part. This must be shown in the financial papers and, in bold print, in any Section 22.1 answer to a buyer.

One thing a board cannot do.
Excuse one owner from paying fees. Collect from every owner the same way.

Maureen Moran | @properties Christie's International Real Estate

Sources: Illinois Condominium Property Act, 765 ILCS 605, Sections 9(c) and 18(a)(6) and (8). IDFPR, "What Is the Procedure My Association Should Follow to Adopt a Budget?" (idfpr.illinois.gov). IDFPR, Rights and Responsibilities of Association Board Members. Laws change, and so do your association's own governing documents. This guide is general information, not legal advice.


Illustration

WHEN THE BUILDING NEEDS EXTRA MONEY

Sometimes the budget is not enough. An extra charge to owners is called a special assessment.

The usual rule: the board can approve it without an owner vote.

The exception: if the money is for something new, like an addition or a change to the shared parts that was not in the budget, two-thirds of all owners must approve.

If the board adopts a budget or special assessment that raises total assessments to more than 115% of last year's total, owners holding at least 20% of the votes can push back. They have 21 days from the board's approval to turn in a signed, written petition. (Illinois Condominium Property Act, 765 ILCS 605/18(a)(8)) The board must then hold an owners' meeting within 30 days. If a majority of all owners do not vote to reject it, the charge stands.

Emergencies are different. A true emergency means immediate danger to the building's structure or to people's safety. Emergency charges can pass without an owner vote.

A roof at the end of its life is not an emergency. Put off repairs, and they become special assessments.

Maureen Moran | @properties Christie's International Real Estate

Sources: Illinois Condominium Property Act, 765 ILCS 605, Section 18(a)(8).
Laws change, and so do your association's own governing documents. This guide is general information, not legal advice.

RECORDS OWNERS CAN ASK FOR



Owners can ask to see records.

Requests must be in writing. The association may charge its actual cost to find and copy records. Records should be given to the owner within 10 business days.

What you share, and what you may keep.

Ready to share: the declaration, bylaws, rules, budgets, financial statements, minutes, and money records.

May keep private: staff files, lawsuit papers, what another owner owes, and papers from another owner's lease or sale.

A paper to be ready for.

Section 22.1 papers for a sale: answer within 10 business days.

Maureen Moran | @properties Christie's International Real Estate

Sources: Illinois Condominium Property Act, 765 ILCS 605, Sections 19 and 22.1.
Laws change, and so do your association's own governing documents. This guide is general information, not legal advice.

HIRING A NEIGHBOR


Illustration

In a small building, the contractor is often a neighbor. The owner in unit three is a roofer. Hiring them is cheaper and faster. It is also regulated.

The rule: the association may not hire a board member, or a business in which a board member or their immediate family owns 25% or more, unless it follows steps. It must tell owners within 20 days after deciding. Owners can then petition. The petition must be filed within 30 days of the notice, and the vote held within 30 days of filing.

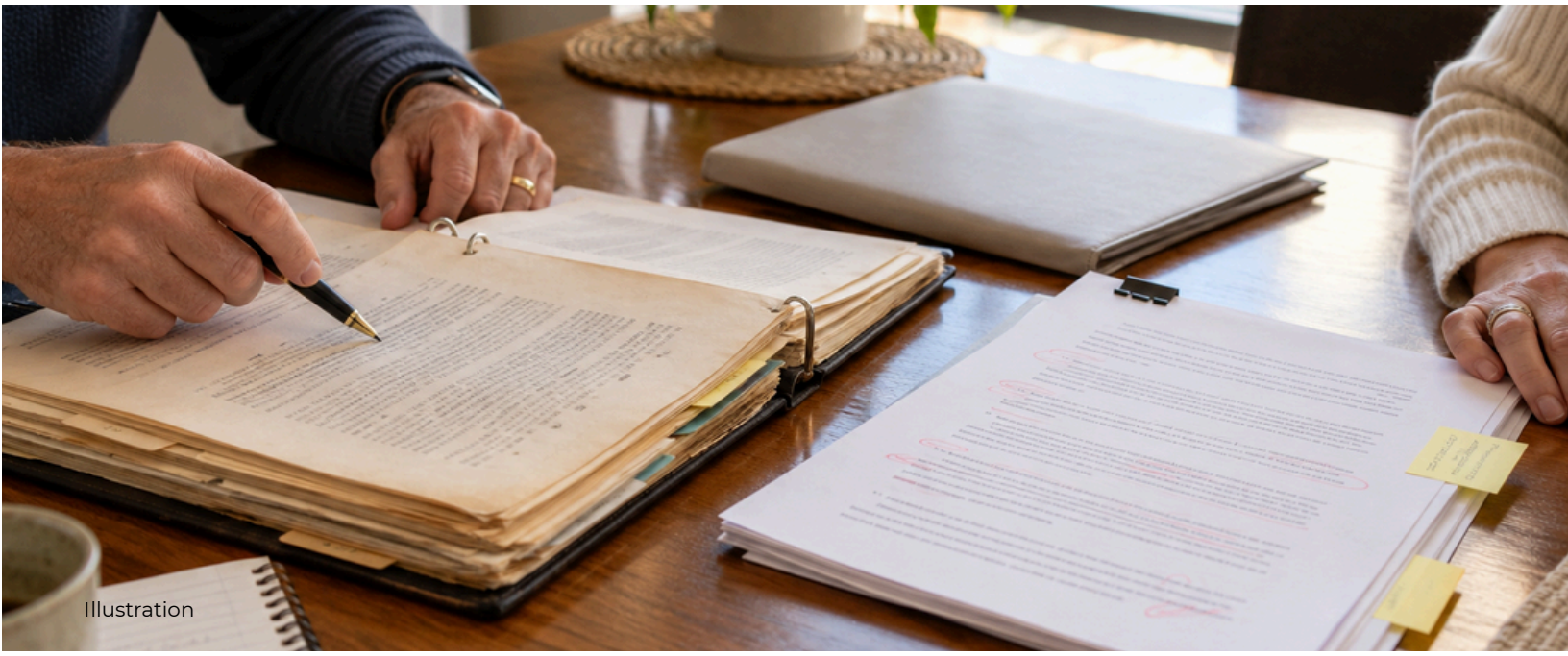
“Immediate family” means a spouse, parents, and children.

Most problems here are not intentional. Follow the steps, and write them in the minutes.

Maureen Moran | @properties Christie’s International Real Estate

Sources: Illinois Condominium Property Act, 765 ILCS 605, Section 18.4.
Laws change, and so do your association's own governing documents. This guide is general information, not legal advice.

UPDATING PAPERS THAT NO LONGER FIT



Illustration

Old papers can be out of date.
Many declarations were written in the 1970s and 1980s. Some parts no longer match the law. There are ways to fix this.

Three ways forward.
Fixing a mistake. If part of your papers conflicts with the law, the board can fix it with a two-thirds board vote. Owners with 20% of the votes then have 30 days to ask for a meeting. At that meeting, a majority of all votes can reject the fix.

Lender approval. If your papers need approval from lenders, a request sent by certified mail counts as approved if no lender says no within 60 days.

Stuck? A court in your county can hear a petition to fix an error. All owners must be included.

Bigger changes need an attorney.
Changes like rental limits, ownership shares, or who maintains what come with strict votes, notices, and recording steps. Call an attorney first.

Maureen Moran | @properties Christie's International Real Estate

Sources: Illinois Condominium Property Act, 765 ILCS 605, Section 27.
Laws change, and so do your association's own governing documents. This guide is general information, not legal advice.

WHAT CHANGED FOR CONDO LOANS



- Retired reviews: Fannie Mae's Limited Review and Freddie Mac's Streamlined Review are retired for applications dated on or after Aug. 3, 2026.
- Reserve minimum: rises from 10% to 15% of the yearly budget for applications dated on or after Jan. 4, 2027.

Easy first steps: know your reserve share, keep papers in one place, and name one person for lender questions.

Maureen Moran | @properties Christie's International Real Estate

Sources: Fannie Mae, Lender Letter LL-2026-03, "Updates to Project Standards & Property Insurance Requirements" (Mar. 18, 2026). Freddie Mac, Guide Bulletin 2026-C (Mar. 18, 2026). NAR, "Why and How Condo Lending Rules Are Changing" (Aug. 18, 2026). Laws and lending rules change, and so do your association's own governing documents. This guide is general information, not legal or lending advice.

A YEAR IN THE LIFE OF A BOARD



At every meeting.
Give notice 48 hours ahead, and post it. Have a quorum the whole time. Take minutes. Keep closed-session topics to the six allowed ones, and vote in the open.

Every few months, and every year.
Each quarter: compare the bank account to the budget, follow up with owners who are behind, check that the insurance is current, and walk the building.

Each year: adopt the budget at a noticed open meeting, send owners the yearly accounting of what was spent (by email to owners who agreed to get it), hold the owners' meeting and elect the board, and make sure the records are easy to find. The Act requires at least four board meetings a year.

Treat every owner who is behind on fees the same way.

Every few years, and when something breaks.
Every three to five years, have an attorney read your papers and update the reserve study. When something breaks, ask: is it a real emergency? Is it a repair, or a new addition? Write your reasons in the minutes.

Policies the law requires.

- If your building has parking, a written accessible parking policy. The board must decide each request within 45 days.
- Most associations must adopt a written collection policy for unpaid fees by January 1, 2027.
- A website with meeting information and approved board minutes. Required by January 1, 2028.

Maureen Moran | @properties Christie's International Real Estate

Sources: Illinois Condominium Property Act, 765 ILCS 605, Sections 18(a)(7), 18.4(t), and 18.12. Public Act 104-0734 (SB 3527). Public Act 104-0797 (HB 5449). Laws change, and so do your association's own governing documents. This guide is general information, not legal advice.

A SIMPLE READINESS CHECK

Check each one that is true for your building. 8 or more checked: your board is in good shape. 5 to 7: a few things to tighten up. Fewer than 5: a good time to start with the basics.

- We can find our recorded declaration and bylaws today.
- We give board members notice of meetings 48 hours ahead, and post it.
- We could answer a Section 22.1 request within 10 business days.
- We keep minutes of every meeting.
- We adopt the budget at an open meeting, not by email.
- We know how much is in our repair savings.
- We have a reserve study, or a written reason why not.
- We treat every owner the same on late fees.
- If a board member's business worked for us, we followed the steps.
- We know who would answer a lender's questions.
- An attorney has read our papers in the last five years.

A CLOSING THOUGHT



Nobody joins a board because they love procedure. You joined because you care about the building, or because you have skills the board needs.

The steps in this guide are not there to make the work heavier. They are there so that when an owner disagrees, you can say, "Here is the process we followed," and that is enough.

Neat records and repair savings also help a building sell.

Process is what makes your decisions easier to defend.

Maureen Moran | @properties Christie's International Real Estate

Sources: Illinois Condominium Property Act, 765 ILCS 605; IDFPR Ombudsperson, "Rights and Responsibilities of Association Board Members." Laws change, and so do your association's own governing documents. This guide is general information, not legal advice.



WHERE THIS INFORMATION CAME FROM

Sources

Illinois Condominium Property Act, 765 ILCS 605 (Illinois General Assembly, ilga.gov), including Sections 9, 12, 18, 18.4, 18.12, 19, 22.1, and 27.
Public Act 104-0734 (SB 3527), written collection policies.
Public Act 104-0797 (HB 5449), association websites and electronic delivery of financial information.
Illinois Department of Financial and Professional Regulation (IDFPR), “Which Illinois Law Governs My Homeowners Association?” idfpr.illinois.gov/content/dam/soi/en/web/idfpr/ccico/faq/which-law-governs-my-association.pdf
IDFPR, “What Is the Procedure My Association Should Follow to Adopt a Budget?” idfpr.illinois.gov/content/dam/soi/en/web/idfpr/ccico/faq/how-does-an-association-adopt-a-budget.pdf
Fannie Mae, Lender Letter LL-2026-03, “Updates to Project Standards & Property Insurance Requirements,” March 18, 2026. singlefamily.fanniemae.com
Freddie Mac, Guide Bulletin 2026-C, March 18, 2026. guide.freddiemac.com/app/guide/bulletin/2026-C
National Association of REALTORS®, “Why and How Condo Lending Rules Are Changing,” August 18, 2026. nar.realtor/news/real-estate-news/why-and-how-condo-lending-rules-are-changing

An important note: Laws change, and so do your association's own governing documents. This guide is general information, not legal advice. Please check with an attorney who knows Illinois condominium law before you act.

Maureen Moran | @properties Christie’s International Real Estate



WHEN YOU'RE READY TO TALK

When the conversation is ready to move forward, I'm here. No timeline, no pressure, just an honest look at what's possible. We can cover your papers, meetings, budget, and what a buyer's lender will ask. I'm a REALTOR®, not an attorney, and I'll say when to call one.

Questions about your building? Let's talk.

Scan to book

Maureen Moran

ABR® · SRES® · SRS · LHC · RSPS

LINCOLN PARK

548 W Webster, Chicago, IL 60614

312.953.7811

Maureen@ChicagoDreamHome.com · ChicagoDreamHome.com

Maureen Moran | @properties Christie's International Real Estate

Equal Housing Opportunity. I'm a licensed real estate broker, not an attorney, accountant, or property manager. This guide is general information, not legal, tax, or financial advice.

MAUREEN MORAN DREAM HOME | @properties | CHRISTIE'S INTERNATIONAL REAL ESTATE

THE COMPLETE SERIES

Free guides for owning, buying, and moving to Chicago.
See every guide at chicagodreamhome.com/guide

IF YOU OWN A HOME

Deciding what comes next
"Should I Sell Now, or Wait?" · "Rightsizing Thoughtfully"

Getting ready to sell
"What's Worth Fixing — and What Isn't"

Living in a condo building
"Running the Building You Live In"

IF YOU'RE BUYING OR MOVING HERE

How buying works
"Buying a Home in Chicago" · "Who's Really in Your Corner?" · "Buying Into the Building"

What it really costs
"Making Sense of Chicago's Closing Costs" · "Navigating the Chicago Property Tax System"

Settling in
"Moving to Chicago"

Scan to see every guide
chicagodreamhome.com/guide

Maureen Moran | @properties Christie's International Real Estate
312.953.7811 · Maureen@ChicagoDreamHome.com
ChicagoDreamHome.com

EQUAL HOUSING OPPORTUNITY · REALTOR