

# NEW TERM IN THE COMMON INTEREST COMMUNITY INDUSTRY

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By: Sara E. Barry – Former CMCA and PCAM – Licensed Nevada Insurance Producer – Past Mediator for Neighborhood Justice Center

So often I hear a new word or term and even though I have been in this industry for 38 years, I raise an eyebrow and think “What”!

One of those new terms is IDR. I recently found out that it means Internal Dispute Resolution, which is different from a formal hearing within an HOA or external ADR proceedings.

In Nevada, however, this is not yet mandatory as it may be in another state, but why not consider this option in your Fine and Enforcement policy that you are required in NRS 116.31031 to have if you will be imposing fines.

If an owner is considering litigation against the association, he or she is required to follow the ADR requirements detailed in NRS 38. I personally think that IDR could be used internally to keep a situation from getting to this level as quickly or at all.

In many situations, there is a really good chance that disputes could be resolved if the board would give the owner some face time to discuss the issue outside of a hearing. At a hearing where the board has been taught or should have been taught to listen and ask questions before making their decision, once the owner has left the hearing. It is a lot more formal and it is the owners opportunity to defend him or herself before a fine is levied.

IDR could be conducted with only a few of the directors vs. the whole board. This is less intimidating to the owners and will help them feel safer to discuss their issues.

In some cases, just the notice and possibility of discipline, fines or other reimbursement assessments works much better. Each association is unique in varying character of the board members, the makeup and level of sophistication, acumen (quickness, accuracy, keenness of judgement and insight), people skills and can be unique to each owner’s situation. Although many of the same violations that come up are constant such as people, pets, pools, and parking which are the most typical of violations dealt with.

For some serious violations, issues arise as to responsibilities and these issues will obviously need to progress to the next step quickly.

Why not, in your fine and enforcement policies, have a provision to be considered by the Board where an owner at a specific point can request IDR.

Obviously, legal counsel should be consulted before you change the current fine and enforcement policy to ensure it complies with Nevada Law and the governing documents. Some attorneys may not like this added step, but the board at least considering it will show the owners that the board is willing to take extra steps to work with them before issues escalate into the litigation arena.