KEOUGH MOODY

November 2026 Newsletter

REMINDER: TIME IS TICKING!!!

NEW ILLINOIS LAW REQUIRING THE ADOPTION OF A COLLECTION POLICY BEFORE A COMMUNITY ASSOCIATION CAN TAKE LEGAL ACTION TO COLLECT COMMON EXPENSES



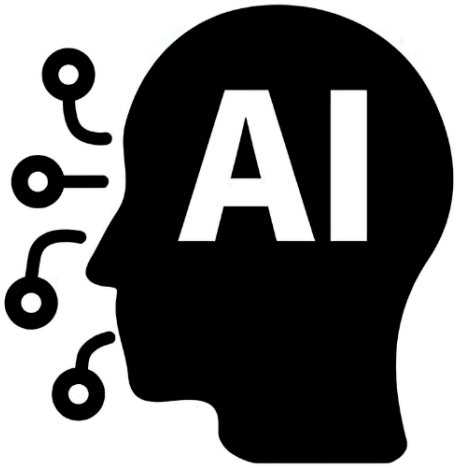
TAKE ACTION BEFORE JANUARY 1, 2027

It's November! In just a few short weeks, Thanksgiving will be here, and we will be fully into the holiday season. As we head into this very busy time of year, we want to remind associations of the importance of adopting a collection policy before the end of 2026, as required by new Illinois legislation. Why does this matter? Beginning in 2027, associations that have not adopted the required collection policy will be unable to pursue legal action to collect delinquent assessments until such a policy has been adopted. In other words, this is one item that should not be pushed off until the new year. If your association has not yet adopted its collection policy, now is the time to get it done! **If your association needs a collection policy prepared, please reach out to Shannon Schwarzwalder (svs@kmlegal.com) no later than December 14, 2026, so that we have sufficient time to prepare the policy before the end of the year.**



In addition, as we approach Thanksgiving, we would like to take a moment to thank our board members, community association managers, and business partners for continuing to trust our office with their communities' legal matters. We truly appreciate the opportunity to work with our clients, whether it is helping to prevent legal issues before they arise or addressing those that inevitably come up. We wish everyone a wonderful holiday season and look forward to continuing to work with you in the coming year!

Chuck, Dawn, and Gabby



ChatGPT: Your Association's Newest Member[1]

Technology can be a wonderful thing. It can also be a terrible thing. Over the past year in particular, we have seen a significant increase in the use of ChatGPT within the community association industry. In some respects, the introduction of ChatGPT has been helpful for board members and community association managers alike. ChatGPT has assisted with compiling and summarizing information (including very lengthy emails), massaging the language of an otherwise terse email, or preparing a draft of an email or other association communication. In other respects, the introduction of ChatGPT has NOT been helpful. ChatGPT has managed to overcomplicate otherwise straightforward matters (hello, six-page emails), create unnecessary disputes, increase potential liability, and provide individuals with a false sense of confidence that the information being provided is both accurate and legally sound. Like all technology, we need to find a way to responsibly utilize it in a manner that materially helps us without causing otherwise avoidable problems. So how do we do that?

1. **Understand what ChatGPT is and what ChatGPT isn't.** ChatGPT is a tool. While it may happily play doctor, lawyer, therapist, accountant, or engineer, it is not actually any of those things and does not take the place of an actual professional. For community associations, relying upon the advice of qualified professionals, be it an attorney, accountant, or engineer, can help protect the board against claims that it has breached its fiduciary duties. That same protection does not exist when the board chooses to rely upon ChatGPT instead of its professional advisors. Similarly, community association managers need to remember that they are licensed professionals. Attempting to use ChatGPT as a substitute for obtaining advice from an attorney, accountant, or engineer may not only create liability for the

association, but also could put the community association manager's own professional license at risk. While ChatGPT can certainly be helpful in gathering information and organizing thoughts, it doesn't take the place of any member of your professional team, regardless of whether you are a board member or a community association manager.

2. **There is no such thing as ChatGPT privilege.** We spent a lot of time discussing keeping certain board information, in particular, information related to legal matters, confidential. We encourage board members to maintain separate email accounts for association business, apart from a board member's shared personal account or work accounts, in order to ensure that confidential information remains confidential. Taking that same confidential information and uploading it into ChatGPT (particularly the free version) can undermine those efforts. Just like emails and text messages, conversations with ChatGPT may ultimately be subject to a subpoena or discovery request and may need to be produced in litigation. Further, uploading communications with legal counsel may jeopardize the attorney-client privilege that would otherwise protect those communications. Therefore, before you cut and paste that attorney opinion or other confidential document into ChatGPT, consider whether just because you can means that you *should*. Doing so may come back to bite you in the end.
3. **Don't be pennywise and pound foolish.** Again, ChatGPT is intended to be a tool, not a replacement for qualified professionals or good judgment. While using ChatGPT to draft or review legal documents (or draft engineering design specifications) may seem like a great way for an association to save money, the opposite may actually be true. Reviewing and revising documents prepared by ChatGPT versus having a lawyer draft them from scratch is often more time-consuming (and as a result, costly). In short, it takes more time to not only review documents prepared by ChatGPT (and don't even get us started about trying to format edited documents prepared by ChatGPT), but also to explain to clients why, despite what ChatGPT may have told them, that is not necessarily how things work in Illinois. Similarly, having ChatGPT draft legal documents, design specifications, or other materials without having them reviewed by the association's professional team may save money in the short term, but it can end up costing the association significantly more in the long run. If something goes wrong, the board will not be able to point to the advice or recommendations of a qualified, insured professional. Instead, the board members themselves may be left answering for the decisions they made and the consequences that follow. In short, what may appear to be a cost-saving measure can quickly result in unnecessary expenses.
4. **Trust, but verify.** Not everything you read on the internet is true. Similarly, not everything ChatGPT tells you is true. Like Google, ChatGPT can generally help find the answer to your question. However, it is important that you review the original source of the information (by way of example, the statute, article, or case cited) in order to confirm that the summation provided is true and accurate (and applies to your state or association). Too often, ChatGPT "hallucinates" answers or pulls information that gives you the answer that you want from websites, which may be less than reliable. Rather than staking your credibility on ChatGPT telling you that Illinois is a "right to dry" state, take the time to verify the information before relying upon it. Otherwise, you may find yourself confidently arguing a position that has no basis in the law.

In a climate where everyone wants answers immediately, and there is a continued push to keep costs down, there is a right way and a wrong way to use ChatGPT. When used appropriately, ChatGPT can save both time and money. When used improperly, however, it can end up costing everyone more of both. Boards should be having conversations about whether, and to what extent, they intend to utilize ChatGPT in conducting association business. This may include adopting a board policy outlining when and how ChatGPT may be used, including what information should

and should not be shared. After all, no one wants to see an association potentially jeopardize its attorney-client privilege protections in litigation because a board member decided to upload confidential legal documents into ChatGPT.

Similarly, boards should be discussing how they, and their managing agents, intend to handle ChatGPT-generated communications from owners. Responding to six-page letters takes time, whether that means involving the association's legal counsel or having its community association manager spend hours addressing demands rather than attending to other association business. Either way, there is a cost to the association that needs to be considered. Whether the approach is to direct owners to a violation hearing, encourage them to attend an upcoming board meeting, or simply provide a concise response addressing the actual issue, boards need to have a plan. Otherwise, they run the risk of getting caught up in endless exchanges of lengthy ChatGPT-generated correspondence that accomplish little more than wasting everyone's time and increasing the association's expenses.

ChatGPT is here to stay. We just need to use it in a way that actually benefits our communities. When used appropriately, it can save time, money, and frustration. When used improperly, it can do just the opposite. At the end of the day, ChatGPT is a tool, and like any tool, its value depends on how we use it (and how we respond to others utilizing it). Stay tuned for our 2027 Webinars where we intend to discuss more about this topic!

[1] While there are a number of AI platforms available, for purposes of this article, we are going to refer to all of them collectively as "ChatGPT."

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