

February 23, 2023

The Honorable Kumar P. Barve
Environment & Transportation Committee
House Office Building, Room 251,
6 Bladen St., Annapolis, MD, 21401

RE: Letter of Support HB0836 Residents of Common Ownership Communities – Discharge of Liabilities in Bankruptcy Proceedings

Dear Chairman Barve:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB0836 Residents of Common Ownership Communities – Discharge of Liabilities in Bankruptcy Proceedings**. MBIA supports the Act in its current version.

This bill prohibits an assessment, a charge, a fee, or a fine, or a lien related to an assessment, a charge, a fee, or a fine, owed to the governing body of a cooperative housing corporation, condominium, or homeowners association, from being discharged in bankruptcy. MBIA supports this measure, as we believe that Common Ownership Communities should be able to collect all of the fees that are owed to them. These communities have budgets and expectations that all members will pay all fees. They are providing services to the communities such as trash removal, snow removal and other services that the homeowner is realizing a benefit from. There is also new regulations dealing with reserves and the Common Ownership Communities need to be able to reserve funds, if homeowners are not able to collect all of their fees this will be even more burdensome. It is the homeowners' responsibility to stay up to date on fees and the HOA's and Condominiums should not be punished by discharging these fees in bankruptcy.

For these reasons, MBIA respectfully requests the Committee adopt the proposed amendment and give this measure a favorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Environment & Transportation Committee