

February 20<sup>th</sup>, 2025

The Honorable William C. Smith Jr.  
Chair, Senate Judicial Proceedings Committee  
2 East Miller Senate Office Building  
Annapolis, MD, 21401

**RE: MBIA Letter of Support SB 787 Cooperative Housing Corporations and Condominiums – Funding of Reserve Accounts and Timing of Reserve Studies**

Dear Chairman Smith:

The Maryland Building Industry Association, representing 100,000 employees of the building industry across the State of Maryland, appreciates the opportunity to participate in the discussion surrounding **SB 787 Cooperative Housing Corporations and Condominiums – Funding of Reserve Accounts and Timing of Reserve Studies**. MBIA supports this measure.

This bill extends the time needed to update reserve studies from 5 years to 10 years and the time needed to achieve the recommended reserve funding level from 3 years to 10 years after the initial reserve study. This extension gives housing entities much-needed additional time to fund their reserve accounts, and allows for more financial flexibility in the early years of a community. The bill also provides an exemption from reserve study requirements given to buildings of less than 4 stories or units. This will make smaller housing projects much easier to develop without the extra time and cost associated with conducting a reserve study.

Another key part of the bill is the provision that expands the list of professionals who are allowed to prepare a reserve study to include licensed electricians, plumbers, and members of the Maryland Home Improvement Commission. This adds competition to the market and will lead to lower costs for anyone who needs to conduct a reserve study in the State of Maryland.

For these reasons, MBIA respectfully requests the Committee 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](mailto:lgraf@marylandbuilders.org).

cc: Members of the Senate Judicial Proceedings Committee