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March 3, 2026

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Delegate Kriselda Valderrama, Chair
Delegate Lorig Charkoudian, Vice Chair
Economic Matters Committee
230 Taylor House Office Building
231 Taylor House Office Building
Annapolis, Maryland 21401

Re: House Bill 1132 Condominiums and Homeowners Associations - Resale Contracts - Notice Requirements (Keeping Affordable Housing Affordable Act)
Position: OPPOSE
Hearing Date: March 5, 2026 at 1:00 p.m.

Dear Chair Valderrama, Vice-Chair Charkoudian, and Members of the Economic Matters Committee:

This letter is submitted on behalf of the Maryland Legislative Action Committee (“MD-LAC”) of the Community Associations Institute (“CAI”). CAI represents individuals and professionals who reside in or work with community associations (condominiums, homeowners’ associations, and cooperatives) throughout the State of Maryland and throughout the United States. The MD-LAC writes to voice our opposition to HB1132 as the Bill changes the resale disclosure process for condominiums and homeowners association in two major ways that are unduly burdensome, highly objectionable and not supported by data.

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First, this Bill proposes to reduce the time for a condominium or homeowners association to produce a resale certificate after a request from twenty (20) to ten (10) days after receiving the request. The proposed ten (10) day period is not qualified as business days, so we must assume it is calendar days, and is not long enough to allow an association to conduct the investigation it needs to provide accurate and complete statements in the resale certificate. This timing concern may be exasperated if a resale certificate is requested before a weekend or a holiday. Since associations and/or their managing agent are bound by the statements they make in resale certificates, it is very important that they are not rushed in responding.

Bill 1132 also imposes reduced fee caps on what the associations and their managing agents may charge for important information provided to consumers purchasing a home in their community association without regard to the actual time, effort or costs of such services. These caps were negotiated with stakeholders in the real estate industry in 2016 and as demonstrated by the Department of Housing and Community Development, costs have only gone up in the decade since the caps were first adopted. This legislation imposes reduced arbitrary fee caps on critical disclosures required in the closing process of a residential real estate transaction in a community association. The reduced cap on fees is discriminatory, anti-consumer and anti-condominium and homeowner association.

Realtors, lenders, appraisers, insurance agents and title companies all impose market driven and labor-based fees relating to the purchase or sale of a dwelling on the parties in the transaction. To make housing more affordable, is the General Assembly willing to adopt a more comprehensive fee capping regulation on ALL parties to bring down ALL settlement charges for the purchase and sale of residential housing in Maryland? The MD LAC believes that all parties to a transaction provide a service, should be paid for the service, and for the risks associated with the service, and that the commission, charges and fees charged by realtors, lenders, appraisers, insurance agents and the title company are no more acceptable or less acceptable than the charges for the many resale disclosures required by the Maryland Condominium Act (MCA) and by the Maryland Homeowners Association Act (MHOAA). Both the MCA and the MHOAA impose liability or the risk of liability on the provider of the information in the resale disclosures for material, misleading statement of fact or omissions. Other providers are often paid not just for the service, but also for the risk associated with the service. MD LAC cannot discern the rationale for not allowing associations or their management agent to be paid for this service and for this risk.

As noted in CAI's [Disclosure Before Sales | CAI Public Policy | Community Associations Institute](#) CAI believes that full disclosure is an essential tool to ensure that the consumer is aware of all relevant data that may impact the decision to purchase a home or unit in a community association. Disclosures also educate the consumer about rights and obligations as an owner of a home or unit in a community association. CAI does not support legislation that imposes arbitrary caps on what associations can charge for this information, as the legislation does not take into account the actual work that goes into preparing a disclosure package.

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In most communities managed by a management company, the management company serves to fulfill the requests for resale package. Such requests can come several months in advance of a settlement or sometimes with very little notice. Preparers incur labor and material costs for such production and attest to the accuracy of the information as of that date of production. As such, preparers should be allowed to charge a reasonable fee for the liability risk incurred for affirming the correctness of the information as well as the preparation and production of disclosure documents and resale certificates. Although some of the required disclosures are of a routine nature, such as packaging the governing documents, there may be transactions or circumstances that are not routine, and all requests include checking for:

- ~ a change in the budget, or the adoption of a new budget;
- ~ a change in the assessment, or adoption of a special assessment, or other fees that must be disclosed;
- ~ a change in the rules and regulations, or amendments to the Declaration, or By-Laws;
- ~ a change in the insurance policies, in particular the amount of coverage or the change in the premium or change in the deductible;
- ~ a change in the reserve study;
- ~ non payment of assessments;
- ~ violations against the property; and
- ~ pending litigation, and all of the required statements relating thereto, if applicable.

Often checking on all these different facets may require calls to Board members, the accountant, the insurance agent, other vendors or the attorney in order to make accurate disclosures.

Without the ability to set fair amounts for the labor and the risk associated with the delivery of a resale package, some management companies may decide to abandon this non profitable component of its services and associations will scramble to find a replacement source to assist with its resale disclosure requirements. Even if management continues to provide the service, without the ability to set fair amounts for the production and delivery of required disclosures to a selling owner, management will likely pass through the gap in costs to the association and the association will pass through the gap in costs to its homeowners. Covering this gap means higher costs for all non-selling homeowners and means that the selling owner could walk away with more money in their pocket. This Bill has no discernable cost effect on the buyer or discernable effect on the affordability of a home. Non selling homeowners have objected previously to this unfair treatment that amounts to a tax, stating that these costs should not be borne by all homeowners paying into the general fund, but rather these costs should be borne by the selling homeowner. This Bill will not have the intended effect of making housing more affordable for buyers and it will have the unintended negative effect of making housing less affordable for those 1.1 million Marylanders who live in Maryland's 7,500 community associations.

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For the foregoing reason, we ask that the Committee give HB1132 an **unfavorable report** as the bill will not reduce costs to buying homeowners and will increase costs to homeowners generally. Thank you for your time and attention to review this information. We are available to answer any questions the Committee Members may have. Please feel free to contact Lisa Harris Jones, lobbyist for the MD-LAC, at 410-366-1500 or by e-mail at lisa.jones@mdlobbyist.com, Cynthia Hitt Kent at 410-363-9600 or by e-mail at ckent@hittkentlaw.com or Igor Conev by email at igor@ocmannproperties.com.

Sincerely,
Cynthia Hitt Kent
Asst. Secretary, MD-LAC for CAI

Igor Conev
Chair, CAI MD-LAC

CAI is a national organization dedicated to fostering vibrant, competent, harmonious community associations for more than fifty years. Its members include community association volunteer leaders, professional managers, community management firms, and other professionals and companies that provide products and services to common interest associations. As part of its mission, CAI advocates for legislative and regulatory policies that support responsible governance and effective management. As part of this purpose, state Legislative Action Committees

represent CAI members before state legislatures and agencies on issues such as governance, assessments collection, insurance and construction defects.