



**Senate Bill 919 – Homeowners Associations – Reserve Funding, Meeting
Notices, Voting and Records – Judicial Proceedings Committee
Position: FAVORABLE**

Maryland Legal Aid (MLA) submits its written and oral testimony on SB 919 in response to a request from Senator Karen Lewis Young.

Maryland Legal Aid (MLA) is a nonprofit law firm that provides free civil legal services to low-income and vulnerable Marylanders, including low- and moderate-income families, veterans, older adults, and retired homeowners living on fixed incomes. With offices serving residents in all 24 Maryland jurisdictions, MLA handles civil legal matters including housing, consumer, family law, and public benefits—matters that directly affect housing stability and family economic security. Because SB 919 would provide increased transparency related to homeowners associations, including their voting procedures and their meetings, MLA testifies in strong support of SB 919.

SB 919 would require within thirty (30) days of the creation or receipt of financial records of a homeowners association (HOA) that they be made available for all homeowners to access via a website or other electronic means. MLA has represented many clients who live in HOAs who due to age or physical limitations are not able to attend the HOA meetings in person. Then, the client have an economic hardship, they default on their HOA payment, and they do not know how to remedy this situation. In many HOAs, in-person attendance at meetings is the only way to receive information about their HOA, including who to contact if there are issues. SB 919, by providing additional transparency to HOA finances, would allow those homeowners who are unable to attend HOA meetings to understand the finances and decisions made by the HOA and understand how to raise complaints with the HOA without being physically present at the meetings.

SB 919 would also require that an HOA make its decisions and rules publicly available in a timely manner. HOA management and governance tend to change frequently, and sometimes this can lead to confusion on the part of homeowners, even on the most mundane information such as where to send their payments. MLA currently represents a homeowner who was unaware that her HOA changed management companies and that she was supposed to send her payments to a different location. This caused the homeowner to go into foreclosure with her HOA. If SB 919 is passed, it is more likely homeowners will have important information, such as where to send their HOA payments, in a quick and timely manner and that situations such as this can be avoided in the future.

In addition, MLA has seen some financial fraud issues with HOAs and with less than ethical HOA managers. About a decade ago, MLA brought a lawsuit against an HOA in Prince George’s County because MLA suspected that the HOA was being used as a front for a fraud operation. SB 919, by making the financial documents of HOAs public and easy for homeowners

to access, would also help homeowners to clearly see how their HOA is spending their money and would make fraud by an HOA manager easier to uncover.

For these reasons, MLA testifies in strong support of SB 919. If you have further questions, please contact William Steinwedel, Deputy Advocacy Director for Homeownership Preservation at (410) 951-7643 or wsteinwedel@mdl.org.