MINNESOTA
HOMEOWNERSHIP
CENTER

March 20, 2025

The Honorable Matt Klein
MN Senate, Commerce and Consumer Protection Committee

Re: Support for Senate File Number 2216

Dear Chair Klein and Honorable Members of the Minnesota Senate Commerce and Consumer Protection Committee,

My name is Roxanne Young Kimball and I am the President of the Minnesota Homeownership Center. We're a nonprofit intermediary that provides training, advocacy, and technology support to a network of 30 non-profit organizations and over 100 housing counselors across the state, so that Minnesota residents can access and sustain homeownership.

The Minnesota Homeownership Center supports funding for a registry and ombudsperson related to Homeownership Associations and Common Interest communities. We believe that well-functioning HOAs are critical to our housing ecosystem. When HOAs function well, they can provide amenities, increased community connection, and reduced maintenance burden for homeowners.

But not all HOAs in Minnesota are functioning well. I served on the legislative working group about Homeownership Associations and Common Interest Communities (HOA). The working group heard frustrating, compelling stories from homeowners about simple questions around operations or amounts owed being forwarded to attorneys for response, then receiving hefty legal bills and limited, to no, answers. The foreclosure counselors in our housing network have similarly shared that clients they work with are often fearful of asking questions to clarify the fines and fees their owed, due to the risk of incurring attorney fee charges that make their risk of foreclosure more pronounced. Our organization began work to evaluate the impact of HOA governance challenges on homeowners in 2020 and engaged the University of Minnesota Center for Urban and Regional Affairs in a study. A key finding was that the lack of a basic registration system to understand the number of HOAs in the state, the rate of foreclosure notice by HOA, or contact information for hired property managers made analysis of the depth and breadth of HOA challenges exceedingly difficult.

The funding appropriated in SF 2216 is an important cure to the challenges described above. Tracking basic contact information and registration of HOAs, their boards, and their property management companies opens the door to better understanding and researching challenges and needed supports to maintain HOA homeowners' housing stability. An ombudsperson that

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can support education and mediation of conflicts between HOA members and their boards can reduce the attorney fees both for individual homeowners and for HOA board operations.

Minnesota, with one of the strongest homeownership rates in the country, has fallen behind on protecting HOA residents. Let's change our story and become a national leader that spells out basic protections and rights, to ease the administration of HOAs for all.

Thank you for your consideration,

Roxanne Young Kimball

Roxanne Young Kimball
President and CEO