Habitat for Humanity® of Minnesota

Building homes, communitiy, and hope.

13 March 2025

Re: SF1750 Common Interest Communities/Homeowner Associations Modifications
To: Chair Port and Members of the Housing & Homelessness Prevention Committee

Dear Chair Port and Members of the Committee,

Thank you for the opportunity to share Habitat for Humanity of Minnesota's (Habitat Minnesota) support of SF1750 which is the result of the critical work of the Working Group on Common Interest Communities (CIC) and Homeowners Associations (HOA). Habitat Minnesota is a statewide support organization that provides training, technical assistance, lending, grants, and other support to the 24 local Habitat affiliates in Minnesota, working in 59 counties across the state.

Along with supporting homeownership production and preservation, Habitat Minnesota supports policies like SF1750 that help Minnesotans retain their homes, benefit family stability, children's education, community well-being, and our economy. Common Interest Communities and Homeowners Associations play an important role in the lives of many homeowners, and Habitat Minnesota is appreciative of the working group's efforts to study their prevalence and impact in Minnesota and recommend solutions to the legislature on best practices. The resulting research and recommendations provide a path for CICs and HOAs to better serve Minnesotans and help homeowners and tenants access safe and affordable housing.

Amongst other modifications, SF1750 would support long-term homeownership security by creating caps on late fines and fees, prohibiting the ability of an association to enforce a lien against the unit owner for unpaid fines, ensuring homeowners can contest an HOA fine, providing reasonable time to correct violations, and prohibiting the requirement or incentivization to create HOAs. I have seen first-hand the impact of leaving these fees unchecked on housing stability. I've worked directly with homeowners who faced foreclosure, not because of mortgage delinquency, but because of the lack of regulation on HOA fees. Habitat's model of affordable homeownership works; our foreclosure rate due to mortgage delinquency is less than 1%. Habitat homeowners are educated on owning a home in an HOA and the responsibilities of doing so prior to closing on their home, including a review of their documents and how to get involved with the HOA. Education is not the barrier for creating success for HOA Homeowners. Creating clear regulations that support ongoing affordability and homeowner protections advances the ongoing affordability and stability of the homeowners and the homeowner's association.

Thank you to the full work group, and for the opportunity to share our support of SF1750 to better ensure homeownership security for families across Minnesotan. Please reach out to me or Jeru Gobeze (jeru.gobeze@habitatminnesota.org) with any questions.

Sincerely,

Cristen Incitti

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