

Testimony regarding Raised Bill 457

AN ACT CONCERNING REVISIONS TO THE COMMON INTEREST OWNERSHIP ACT.

My name is Daniel Rys. I am a Vice President of Windsor Federal Savings and Loan. I have been in the banking and financial service industry in Connecticut for 40 years. I have been the Senior Loan Officer of two Connecticut Banks responsible for residential, consumer, and commercial lending and all parts of loan servicing including collections and foreclosures.

For the past 11 years I have been working with community associations to assist them in financing their capital improvement projects. During that time I have worked with over 600 associations in Connecticut.

I support the bill with the following reservations:

I do not support proposed changes in Raised Bill 457 in Section 3 #16 concerning the disclosure of audits for the following reasons.

1. It is a burden to those who prepare resale certificates and the associations because adding just one more rule to comply a law in reality provides no useful information to a prospective buyer about the financial health of association. Financial information is already provided in resale documents and is represented to be accurate. Stating who prepared the information and their qualifications is just not necessary. A prospective buyer has the right to ask for additional information it should not and does not need to be legislated.
2. As a lender to community associations we do require financial information both historical and current when underwriting an association. Acceptable financial information can be association or management - company prepared statements as well as compiled, reviewed, or audited statements from a professional CPA firm. The level of financial statements within each association is determined by cost since they are not for profit corporations.

For these reasons I suggest you do not include the additional language in Section 3 # 16.

Thank you for your time and consideration.