TESTIMONY IN OPPOSITION RAISED BILL No. 325 - AN ACT CONCERNING COMPLIANCE WITH THE REQUIREMENTS OF THE FEDERAL FAIR DEBT COLLECTION PRACTICES ACT BY THE UNIT OWNERS' ASSOCIATION OF A COMMON INTEREST COMMUNITY WHEN FORECLOSING A LIEN ON A UNIT.

March 7, 2016

Good afternoon Senator Coleman, Representative Tong, Senator Doyle, Representative Fox, Senator Kissel, Representative Rebimbas and members of the Judiciary Committee. Thank you for the opportunity to provide testimony on behalf of Imagineers, LLC ("Imagineers").

I am Karl Kuegler, Jr. of Imagineers, LLC where I serve as the Director of Property Management for our common interest community management division. From our offices located in Hartford and Seymour, we serve about 210 Connecticut common interest communities comprising about 19,000 homes. Imagineers is registered with the Department of Consumer Protection as a Community Association Manager holding registration number 0001 and has been serving Connecticut common interest communities for 35 years. I have over 26 years of experience in common interest community management and hold a Certified Manager of Community Associations and Association Management Specialist designations from the National Board of Certification for Community Association Managers. Imagineers is a member of the Connecticut Chapter of Community Associations Institute. I serve on the organization's Legislative Action Committee as its vice chair and chair the organization's annual state educational conference.

The Common Interest Ownership Act provides the Connecticut Condominiums and Planned Communities with ability to collect the assessments the association is due through a priority lien. Common Interest communities depend on the assessments to cover the expenses incurred to maintain, operate and protect the assets of the association. These associations, the vast majority which are residential homes, are comprised of owners bound together upon the purchase of their home. The associations operate on a break even basis. Assessments not collected from a delinquent association member leave the association with unfunded expenses that then needs to be shared by the members that are faithful in their payment of assessments. Raised Bill 325 adds additional requirements to what is already a procedure that provides opportunities to the delinquent association member and the holder of their mortgage. It is unclear the true extent and impact this change to the statute will have on our Connecticut Common Interest Communities.

Imagineers has concern with the lack of clarity could lead to unnecessary burdens to associations. Recent changes to the statute have improved the ability of associations to collect the delinquent fees owed. The changes came at a time that found associations faced with increased numbers of delinquent unit owners as a result of the faltering economy. The previous changes helped facilitate resolving the delinquency early and at a time that the debt was not within reach which was beneficial to both the association and the delinquent association member. The homeowners in Associations can not afford changes that negatively impact their ability to fund their expenses nor can it take on the increased expense that this bill could create. It is also important to note that many of the states Common Interest Communities are small communities whose affairs are handled by homeowners within the community without the assistance of a community association manage. Each delinquent unit owner in a small community represents a much bigger percentage of the income stream of the association adding even a greater burden on the balance of the unit owners.

For the reasons stated above we are opposed to Raised Bill No. 325 - An Act Concerning Compliance With the Requirements of the Federal Fair Debt Collection Practices Act by the Unit Owners' Association of a Common Interest Community When Foreclosing a Lien On a Unit.