

To: Banking Committee

From: Debra MacCoy

RE: Public Hearing February 7, 2019

Date: February 7, 2019

I am writing in support of two of the bills being proposed. H.B. No. 5163 and H.B. 5164.

H.B. No. 5163 – An Act Concerning Deficiency Judgments and Crumbling Foundations is crucial to folks who find themselves in this crisis no fault of their own, however, see no path forward due to the enormous financial burden this crisis has caused. I know from this experience what a trying time this is first learning you have a foundation built using defective concrete and once that sinks in you learn the cost to remove and replace the defective concrete. The price tag for repairs is \$9,000,000.00 at the Ryefield Condominium Complex, as of this date, our complex is excluded from the Captive Funding due to the definition of a “residential building”. Not only has this wiped out our complex reserve but it has left many senior citizens wondering how they will come up with the funds to mitigate. Many of the residents at our complex are either in their twilight years or they are young people just starting out, such as my son, Christopher, who we helped by cosigning the loan in order for him to be able to reach his American Dream of owning a home. That dream was short lived as we bought the condo unit in 2010 and by 2015 we learned a horrible fate. We have seen a rise in unit owners leaving their keys on the counter and walking away from their investment, because the financial and emotional cost is too much to bare. We purchased our condo unit with closing costs and purchase price at \$135,000.00 and we helped our son with the 20% down on the unit, and excitedly we invested another \$12,000.00 in the unit by putting in a pellet stove and updating the kitchen. That \$147,000.00 is now worth \$40,000.00 we lost over a \$100,000.00 in value to the home. So although the foundation hasn't collapsed the value on the home took an “abrupt and sudden” collapse, as did all 204 units at Ryefield due to the 118 units affected.

When I met with Secretary Carson last June 2018 and the Federal Delegation I presented to them a four page document showing in the three complexes that are connected at 60 Old Town, 70 Old Town and 85 Old Town all the folks that handed in their keys, four pages of folks and there will be more to follow because we/they see no way out of this. We can't sell our units there are no banks willing to give a loan, we can't afford a \$9 Million Dollar price tag to fix our complex, we were devastated to learn structures over 4 units were excluded from Public Act 17-2 due to the archaic definition of a residential structure, as Ryefield only has 6 unit and 8 unit structures. Moreover, many are disheartened to hear that the \$100 Million the Captive has been given over the course of five years has been accounted for with the 400 Type 1 and 100 Type 2 homeowner applications.

Where does this leave Ryefield, Ryefield II, Lakeview, Willington Ridge, and Stafford Condo Complexes, it leaves many walking away from the despair and anguish this crisis has caused and to rub salt in our wounds we are met with harsh penalties from the banks. This Bill is crucial and must be considered with all due respect to the victims of this crisis.

H.B. No. 5164 – an Act Prohibiting the Lender of a Home Equity Loan from Seeking a Deficiency Judgment Against Certain Borrowers, should also be considered by this committee.

Thank you for your time, Debra MacCoy