

Committee Report

CONSENT CALENDAR

March 2, 2021

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Committee on Commerce and Consumer Affairs to
which was referred HB 462,**

**AN ACT relative to lien assessments by condominium
associations. Having considered the same, report the
same with the following resolution: RESOLVED, that it
is INEXPEDIENT TO LEGISLATE.**

Rep. Dawn Johnson

FOR THE COMMITTEE

COMMITTEE REPORT

| | |
|-------------------|--|
| Committee: | Commerce and Consumer Affairs |
| Bill Number: | HB 462 |
| Title: | relative to lien assessments by condominium associations. |
| Date: | March 2, 2021 |
| Consent Calendar: | CONSENT |
| Recommendation: | INEXPEDIENT TO LEGISLATE |

STATEMENT OF INTENT

This bill establishes a procedure for the enforcement of a lien assessment on a condominium unit owner by the unit owners' association. Under current law a condominium may place a lien on a unit owner, but they are not permitted to enforce the lien by going to court and foreclosing on the unit owner. The majority understands the difficulties that condo associations have with unit holders not paying their fees, but empowering the condo associations with foreclosure seem too extreme, especially considering the dollar amount.

Vote 18-0.

Rep. Dawn Johnson
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

Commerce and Consumer Affairs

HB 462, relative to lien assessments by condominium associations. **INEXPEDIENT TO LEGISLATE.**

Rep. Dawn Johnson for Commerce and Consumer Affairs. This bill establishes a procedure for the enforcement of a lien assessment on a condominium unit owner by the unit owners' association.

Under current law a condominium may place a lien on a unit owner, but they are not permitted to enforce the lien by going to court and foreclosing on the unit owner. The majority understands the difficulties that condo associations have with unit holders not paying their fees, but empowering the condo associations with foreclosure seem too extreme, especially considering the dollar amount.

Vote 18-0.

Original: House Clerk

Cc: Committee Bill File

Archived: Thursday, April 22, 2021 12:55:02 PM

From: JOHN HUNT

Sent: Thursday, March 11, 2021 11:23:46 AM

To: Carrie Morris

Cc: Pam Smarling; Dawn Johnson

Subject: HB462 ITL Consent

Importance: Normal

This bill establishes a procedure for the enforcement of a lien assessment on a condominium unit owner by the unit owners' association. Under current law a condominium may place a lien on a unit owner, but they are not permitted to enforce the lien by going to court and foreclose on the unit owner. The majority understand the difficulties that condo associations have with unit holders not paying their fees, but empowering the condo associations with foreclosure seem to extreme, especially considering the dollar amount.

Voting Sheets

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on HB 462

BILL TITLE: relative to lien assessments by condominium associations.

DATE: March 2, 2021

LOB ROOM: Zoom

MOTIONS: **INEXPEDIENT TO LEGISLATE**

Moved by Rep. Johnson

Seconded by Rep. Potucek

Vote: 18-0

CONSENT CALENDAR: YES

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep Keith Ammon, Clerk

HOUSE COMMITTEE ON COMMERCE

EXECUTIVE SESSION ON HB 462

BILL TITLE: relative to lien assessments by condominium associations;

DATE: 3/2/2021

LOB ROOM: Zoom

MOTION: (Please check one box)

- OTP ITL Retain (1st year) Adoption of
Amendment # _____
 Interim Study (2nd year) (if offered)

Moved by Rep. Johnson Seconded by Rep. Potucek Vote: 18-0

MOTION: (Please check one box)

- OTP OTP/A ITL Retain (1st year) Adoption of
Amendment # _____
 Interim Study (2nd year) (if offered)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

MOTION: (Please check one box)

- OTP OTP/A ITL Retain (1st year) Adoption of
Amendment # _____
 Interim Study (2nd year) (if offered)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

MOTION: (Please check one box)

- OTP OTP/A ITL Retain (1st year) Adoption of
Amendment # _____
 Interim Study (2nd year) (if offered)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

CONSENT CALENDAR? X Yes _____ No

Minority Report? _____ Yes _____ No If yes, author, Rep.: _____ Motion: _____

Respectfully submitted, Rep. Ammon, Clerk

STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

1/22/2021 9:55:55 AM
Roll Call Committee Registers
Report



2021 SESSION

Commerce and Consumer Affairs

Bill #: HB462 Motion: ITL AM #: _____ Exec Session Date: 3/2/2021

| <u>Members</u> | <u>YEAS</u> | <u>Nays</u> | <u>NV</u> |
|--------------------------------|-------------|-------------|-----------|
| Hunt, John B. Chairman | 18 | | |
| Potucek, John M. Vice Chairman | 1 | | |
| Osborne, Jason M. | 2 | | |
| Ammon, Keith M. Clerk | 3 | | |
| Abramson, Max | 4 | | |
| Ham, Bonnie D. | 5 | | |
| Depalma IV, Joseph | 6 | | |
| Greeson, Jeffrey | 7 | | |
| Johnson, Dawn M. | 8 | | |
| Terry, Paul A. | 9 | | |
| Bartlett, Christy D. | 10 | | |
| Abel, Richard M. | 11 | | |
| Herbert, Christopher J. | 12 | | |
| Van Houten, Constance | 13 | | |
| Fargo, Kristina M. | 14 | | |
| Weston, Joyce | 15 | | |
| Beaulieu, Jane E. | 16 | | |
| Burroughs, Anita D. | 17 | | |
| McAlear, Chris R. | | | |
| TOTAL VOTE: | 18 | 0 | |

Hearing Minutes

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

PUBLIC HEARING ON HB 462

BILL TITLE: relative to lien assessments by condominium associations.

DATE: February 3, 2021

LOB ROOM: Hybrid **Time Public Hearing Called to Order:** 9:09 a.m.

Time Adjourned: 9:56 a.m.

Committee Members: Reps. Hunt, Potucek, Ammon, Abramson, Ham, Depalma IV, Greeson, Johnson, Terry, Bartlett, Abel, Herbert, Van Houten, Fargo, Weston, Beaulieu, Burroughs and McAleer

Bill Sponsors:
Rep. Infantine

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep Will Infantine

A few years ago submitted a bill to allow six-month priority lien on a unit owners unit for past due condo fees. Bankers association was originally opposed. Later realized it made condo associations stronger. Question whether this was constitutional. Legislation injected into an existing contract. Law passed was only for mortgages taken out after the fact. This bill allows the condo association to get a priority lien then foreclose on the unit. The unit owner still has all the remedies available to itself. This would only be for mortgages put in place after Jan 1, 2022. This bill effects the concept of a zombie mortgage where units couldn't be foreclosed upon.

Rep Terry

Q: I am a condo owner. This is an actual foreclosure; other liens would take priority.

A: I don't have the answer. I believe property taxes would be primary.

Q: If I were the person foreclosed this would allow me to correct the situation.

A: Correct, individual has the ability to rectify the payments.

Q: Would this trigger an auction of mortgagee sale?

A: It could, but I think others speaking after me will explain.

Gary Daddario, Community Associations Institute

Associations run only on money they collect by assessment. If the condo owners don't pay their bills the association struggles to pay their bills. Current law, we're left in limbo after court. The association can only go to sheriff sale. Bidders find out the owner has one year right to make it right. 17 states have priority liens on condos, NH is the only state that can't foreclose on. As a condo practitioner, having done this for 18 years, in other states with foreclosure, 97% of my cases resolve before foreclosure. Having that eventuality, it makes the owner resolve the issue. The first mortgage holder can remain a party of interest to receive notices of foreclosure. Of the 3% the bank will make a business decision and pay the condo fees to make sure the unit doesn't go to foreclosure. In the case where bank decides to let the unit go, they may contact me and ask that they receive a check for remainder after the foreclosure. This does not affect tax liens. I know of no condo law practitioners that engage in credit reporting over delinquent assessment.

Rep Van Houten

Q: Clarify the group you're representing please?

A: CAI is a nationwide nonprofit, to improve condo living. New England chapter. New Hampshire has a legislative action committee of which I am chair.

Rep McAleer

Q: Would this include other types of associations?

A: This bill speaks to condo associations. Homeowner associations do not have their own statutes. HOA's may have statutes in the future.

Wes Blair

Brookline Bank in Mass. CAI for 20+ years. Member of CAI Mass legislative committee. Experience my bank has had with priority lien in Mass. I run condo association lending and residential lending at our bank. When MA priority lien was proposed, banker thought it would create havoc. Turned out it was quite the opposite. We never lost a unit because of a priority lien. Sometimes we would go back to the association counsel. Sometimes we said we'll pay it, keep it current, and deal with our borrower. Years ago, we started making loans to our associations. Priority liens make that work because it affects the cashflow of the association. If you don't give associations, the teeth to take action that can drain the financial resources of the association. Someone abandons their unit, pipes freeze, burst, now real problem for the association.

Ryan Hale

NH Bankers association. Opposes the bill. VP government relations. Represent 38 member banks. As introduced, HB462 would increase volunteer boards the right to foreclose and evict regardless of the amount owed, up to six months of unpaid fees. HB436, 2019 was voted 19-0 IITL. 2010 compromise gave them the ability to escrow up to six months unpaid fees. Could eliminate access to common areas. Unexpected consequences. Borrowers could pay higher interest rates for added risk. Impact could make condos less attractive for first-time home buyers. Ultimately, this could reduce value of condos. The timing runs counter to keep individuals in their homes during the pandemic. This will send mixed messages to homeowners. Current compromise of 6-month escrow is available to the condo assoc. No where in the bill does it point to just future contracts. Attorney on the call. Urge vote against HB462, IITL.

Rep Bartlett

Q: How often do condo associations require 6 months in escrow?

A: I don't have the answer. Business decision of condo association. Less drastic option than foreclosure.

Rep Potucek

Q: Does this bill differ to the one we IITL'ed two years ago?

A: I believe the other bill allowed auctioneer fees to be added to the lien.

Rep McAleer

Q: Small amount of money involved, could a condo association discriminate, hassle people they don't like?

A: I think it does open the door for that, potential for abuse. It could create a scenario where someone misses fees, pays them, allows condo assoc to initiate foreclosure.

Rep Abramson

Q: During foreclosure, is the bank paying the condo fees before

A: I don't think it would rely on the condo owner, unless fees were escrowed.

Q: Arrearages the same?

A: I believe so but can follow up.

Rep Bourroghs

Q: Would it be more palatable if there was a minimum requirement for foreclosure?

A: The simple fact of allowing condo associations to foreclose. Condo fees could be a few thousand but bank could have \$100,000's of dollars owned. Foreclosure leads to 60 cents on the dollar return.

Dean Lennon

CAI New England. Think about this bill to preserve and protect financial health of condos. This bill gives condos leverage to get payment from owner, and if they won't get banks to. Foreclosing on an owner will be exceedingly rare. Will only happen if the bank wants it to happen. Won't happen for a few hundred dollars. Owner abandoned, no ability to pay, and bank won't respond to our notices. When the owner isn't there there is no leverage. Condos need the ability to foreclose and they need leverage to get banks to respond. Re: higher interest rates, I would ask the banking lobby to show proof of that. This bill is about protecting condo finances.

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Q: How often do condo associations escrow up to six months?

A: I don't have a figure on it but I've never seen it happen. Foreclosure will only happen if the bank allows it to happen. The bank receives notices. Six month or more process.

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Q: Looking at condo act and bill. Can foreclosure happen if owner has paid some of the past due fees?

A: I don't see that happening.

Q: Thoughts on \$5,000 minimum?

A: Hard to set a hard minimum. Different condos have different monthly fees. I would see it set in months instead of dollar values.

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Q: Is the bank paying fees or arrearages.

A: It's rare for bank to pay before foreclosure. They don't have to.

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Representing Mortgage Bankers and Brokers Associatoin of NH. I think Ryan did a fine job expressing our opposition to the bill.

Dave Collins

Ryan covered it. A statement made by the advocates of the bill, "This bill provides leverage to make the banks pay." Shifting responsibilities to the banks.

Rep Herbert

Q: Forbearance. Someone will carry the charges until resolution is made. The forbearance will be made by condo association not the bank. Responsibility goes back to the lender. To make association eat the money sounds backwards. There are risks to the bank making a loan. Forebarrance should fall back to the lender not condo association.

HOUSE COMMITTEE ON COMMERCE & CONSUMER AFFAIRS

PUBLIC HEARING on Bill # HB462

BILL TITLE:

DATE: Feb 3, 2012

ROOM: Zoom

Time Public Hearing Called to Order: 9:09 AM

Time Adjourned: 9:56 AM

(please bold if present)

Committee Members: Reps. Hunt, Potucek, Ammon, Osborne, Abramson, Ham, Depalma IV, Greeson, Johnson, Terry, Bartlett, Abel, Herbert, Van Houten, Fargo, Weston, Beaulieu, Burroughs and McAleer

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House Remote Testify

Commerce and Consumer Affairs Committee Testify List for Bill HB462 on 2021-02-03

| <u>Name</u> | <u>Email Address</u> | <u>Phone</u> | <u>Title</u> | <u>Representing</u> | <u>Position</u> | <u>Testifying</u> | <u>Signed Up</u> |
|--------------------|---------------------------------|---------------------|------------------------|---|------------------------|--------------------------|-------------------------|
| Hale, Ryan | rhale@nhbankers.com | 603.785.2028 | A Lobbyist | NH Bankers | Oppose | Yes (5m) | 2/2/2021 5:22 PM |
| Infantine, William | winfantine@aspen-ins.com | 603.493.9779 | An Elected Official | Myself | Support | Yes (4m) | 2/2/2021 5:55 PM |
| Blair, Wes | wblair@brkl.com | 617.927.7974 | A Member of the Public | CAI/Banking Industry | Support | Yes (4m) | 2/2/2021 5:18 PM |
| Daddario, Gary | gdaddario@meeb.com | 603.420.9475 | A Member of the Public | CAI (Community Associations Institute) | Support | Yes (3m) | 2/2/2021 5:16 PM |
| Shaughnessy, Erik | eshaughnessy@msullc.com | 774.517.5749 | A Member of the Public | CAI-NE | Support | Yes (3m) | 2/3/2021 8:54 AM |
| Lennon, Dean | dlennon@meeb.com | 617.888.4060 | A Member of the Public | CAI-NE | Support | Yes (0m) | 2/2/2021 6:32 PM |
| Collins, Dave | DGC@rypgranite.com | 4918434 | A Lobbyist | New Hampshire Credit Unions | Oppose | No | 2/2/2021 7:44 PM |
| Dietel, Robert | dietel@gcglaw.com | 603.545.3613 | A Lobbyist | Counsel for New Hampshire Bankers Association | Oppose | No | 2/3/2021 8:58 AM |
| Prasol, Tom | thomas.prasol@demers-prasol.com | 603.228.1498 | A Lobbyist | Mortgage Bankers and Brokers Association of New Hampshire | Oppose | No | 2/2/2021 11:07 AM |

Testimony



HB 462, relative to lien assessments by condominium associations.

Ryan Hale, VP/Government Relations

House Commerce and Consumer Affairs Committee

Wednesday, February 3, 2021

Chairman Hunt and honorable members of the House Commerce and Consumer Affairs Committee, my name is Ryan Hale and I'm Vice President, Government Relations, for the NH Bankers Association. The NH Bankers represents 38 member banks which employ nearly 6,000 employees. I come before the Committee today to provide testimony in opposition to HB 462, relative to lien assessments by condominium associations, for the following reasons.

As introduced, HB 462 would increase a condominium association's priority lien rights by giving volunteer condominium boards the right to foreclose upon, and evict, condo unit owners for unpaid assessments, regardless of amount owed. This proposal goes well beyond a 2010 compromise which created the existing statutory priority lien rights for unpaid assessment fees and allowed condominium associations to require unit owners to escrow 6-month of fees. This is not the first-time this committee has heard a proposal similar to HB 462. Most recently in 2019, this committee voted 19-0 Inexpedient to Legislate on HB 436.

Condominium associations already have less drastic options at their disposal, neither of which would require such a significant policy change. As already mentioned, associations can require unit owners to escrow up to 6-months of assessment fees providing a cushion when delinquencies arise. Additionally, they can limit or eliminate access to common areas such as gyms, pools, and parking to encourage a unit owner to pay their fair share.

If enacted, HB 462 is likely to have significant unintended consequences. Specifically, if a condominium board can foreclose upon a unit, it will increase a lender's risks associated with condominium lending. This could result in borrowers paying higher interest rates to account for the added risk, or limit access to lending more generally. Such consequences are likely to have impacts that extend beyond the banking industry and could make condominiums a less attractive option for first time homebuyers, which may reduce the values of condominiums and could impair an already anemic housing market by taking options off the table.

Additionally, the timing of this legislation runs counter to current efforts to keep individuals in their homes. During the pandemic banks in NH have stepped up to assist homeowners navigate unexpected financial challenge through offering forbearance, and payment deferral options. Their response to the pandemic was immediate in an effort to keep homeowners financially impacted by COVID-19 in their homes. HB 462 could run counter to this effort by giving associations the ability to foreclose on unit owners – sending homeowners mixed messages. We understand the difficulties unpaid assessment fees create for associations, but this change is not the answer especially with other solutions already at their disposal.

In closing, I would urge the committee to vote against HB 462 and move to recommend Inexpedient to Legislate as the Committee has done in the past with similar legislation. Thank you for your consideration.

Archived: Wednesday, April 14, 2021 10:21:38 AM

From: [Cydney Shapleigh](#)

Sent: Monday, March 1, 2021 4:00:27 PM

To: ~House Commerce Committee

Subject: HB 462

Importance: Normal

Attachments:

mo-2fs_mfp01_001.pdf ;

Please see the attached letter outlining my concerns regarding HB 462.

Sincerely,

Cydney Shapleigh | CTFA | Executive Vice President

Bank of New Hampshire | 603.527.3250

Office: 603.527.3250

24/7 Customer Service: 1.800.832.0912 | www.BankNH.com



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[Bank of New Hampshire Privacy Policy](#)

Archived: Wednesday, April 14, 2021 10:21:38 AM

From: [Ryan Hale](#)

Sent: Wednesday, February 3, 2021 8:12:59 AM

To: ~House Commerce Committee

Cc: [Kristy Merrill](#)

Subject: HB 462

Importance: Normal

Attachments:

HB 462 Testimony-Condo Lien .docx ;

Good Morning Commerce and Consumer Affairs Committee Members,
I hope your week is going well. For those of you that don't know me, my name is Ryan Hale. I'm VP/Government Relations for the NH Bankers. Please find attached my written testimony for HB 462, relative to lien assessment by condominium associations, which I'll be testifying on this morning. I look forward to the opportunity to answer any questions you may have.

Regards,

Ryan



Ryan Hale, IOM | VP/Government Relations

New Hampshire Bankers Association | PO Box 2586 | Concord | NH | 03302

Office: [603.224.5373](tel:603.224.5373) | Cell: [603.785.2028](tel:603.785.2028) | www.nhbankers.com

Archived: Wednesday, April 14, 2021 10:21:38 AM

From: Cheri M. Caruso

Sent: Monday, March 1, 2021 6:47:27 PM

To: ~House Commerce Committee

Subject: HB 462

Importance: Normal

Dear House Commerce and Consumer Affairs Committee,

I write to you today for consideration of not passing HB 462. By passing this bill now, you are allowing Condominium Associations to move forward to foreclosure once the stay on evictions is lifted. Whereas, lienholders, such as Bank of New Hampshire, have worked tirelessly to keep families in their homes during this time.

In a time where employment is a real concern due to a global pandemic, passing of this bill should wait and be more carefully thought out. Bank of New Hampshire provided 253 deferment options to consumers that did not have the ability to make their monthly obligations due to lack of income. Unemployment benefits were used by these consumers to put food on the table and regular household bills that were not covered under relief options in the Emergency Orders provided by the Governor. Our options allowed for 6 months of deferred interest and principal payments to help ease the burden during this unprecedented time.

Currently, there is a constant battle with Mobile Home parks in regards to back lot rent. Mobile Home Parks are unforgiving even when they have not followed the RSA requirements for notifications and abilities to rectify the back lot rent, to the point that many banks have stepped away from lending on Mobile Homes. This will be no different should this bill pass for Condominium Associations. Banks will start limiting or eliminating that product line due to the risk associated with the ability for a Condominium Association to foreclose due to unpaid assessment fees.

Additionally, Condominium Associations have multiple avenues already in effect within RSA 356-B:46 (a) (c)(d)(e) to remedy any default on association dues. Within RSA 356-B:46 and 46(a) there are assurances that if the Condominium Association follows the RSA the outstanding dues become a priority lien. When coupled with the requirements of a Mortgage Deed from a lienholder that requires that no additional lien shall encumbrances the priority lien there is adequate protection for Condominium Associations to obtain delinquent dues. This RSA further expands a remedy to require that the unit owner be required to pay 6 months in advance, and, should they ever become delinquent the Condominium Association can use said funds to pay the default.

I implore you to reconsider the language presented in HB 462. At this time, this bill should not be passed as the both the timing of this bill and the language create multiple issues.

Thank you for your consideration.

Sincerely,
Cheri M. Caruso

Cheri M. Caruso | SVP, Chief Technology, Digital Banking & Operations Officer
Bank of New Hampshire | 62 Pleasant Street, Laconia, NH 03246
Office: 603.527.3245 | **Cell:** 603.455.2227
24/7 Customer Service: 1.800.832.0912 | www.BankNH.com



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Archived: Wednesday, April 14, 2021 10:21:38 AM
From: Michael J. Seymour
Sent: Monday, March 1, 2021 4:01:40 PM
To: ~House Commerce Committee
Subject: Opposition to HB 462
Importance: Normal

Dear House Commerce and Consumer Affairs Committee,

I am writing to you to express my opposition to HB 462. By passing this bill now, you would be allowing Condominium Associations to move forward to foreclosure, once the stay on evictions has been lifted. Lienholders, such as Bank of New Hampshire, have worked tirelessly to keep families in their homes during this difficult time and this bill would work contrary to those efforts.

In a time where employment is a real concern due to the global pandemic, I believe that the passing of this bill should be paused, allowing more time to weigh the possible unintended consequences. Bank of New Hampshire has provided over 250 deferment options to consumers that did not have the ability to make their monthly obligations due to lack of income. Many consumers had used their unemployment benefits for more critical items, such as groceries and household bills not covered under the relief options outlined in the Governor's Emergency Orders. Our option provided six months of deferred interest and principal payments to our customers, helping to ease their burden during this unprecedented time.

There is a constant challenge with back lot rent at mobile home parks. Mobile home parks are unforgiving, even when they have not followed the RSA requirements for notifications and abilities to rectify the back lot rent, to the point that many banks have had to step back from lending on mobile homes. Should this bill pass, most banks will start limiting or eliminating that product line due to the associated risk of the Condominium Association having the ability to foreclose due to unpaid assessment fees.

Condominium Associations have multiple avenues already in effect, such as RSA 356-B:46 (a)(c)(d)(e), which would remedy any default on association dues. Within this RSA, there are assurances that if the Condominium Association follows the RSA, the outstanding dues become a priority lien. When coupled with the requirements of a mortgage deed from a lienholder that requires that no additional lien shall encumber the priority lien, there is adequate protection for the Condominium Association to obtain delinquent dues. This RSA further requires that the unit owner be required to pay six months in advance and should they ever become delinquent, the Condominium Association can use these funds to pay the default.

I strongly encourage you to reconsider the current language presented in HB 462, as it has the potential to significantly exacerbate an already difficult situation for the consumer.

Thank you for your consideration.

Michael J. Seymour | SVP – Chief Experience & Marketing Officer
Bank of New Hampshire | 62 Pleasant Street, Laconia, NH 03246
Office: 603.527.3223
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Archived: Wednesday, April 14, 2021 10:21:38 AM

From: Gayle Price

Sent: Monday, March 1, 2021 1:56:47 PM

To: ~House Commerce Committee

Subject: HB 462

Importance: Normal

Dear House Commerce and Consumer Affairs Committee,

I write to you today for consideration of not passing HB 462. By passing this bill now, you are allowing Condominium Associations to move forward to foreclosure once the stay on evictions is lifted. Whereas, lienholders, such as Bank of New Hampshire, have worked tirelessly to keep families in their homes during this time.

In a time where employment is a real concern due to a global pandemic, passing of this bill should wait and be more carefully thought out. Bank of New Hampshire provided 253 deferment options to consumers that did not have the ability to make their monthly obligations due to lack of income. Unemployment benefits were used by these consumers to put food on the table and regular household bills that were not covered under relief options in the Emergency Orders provided by the Governor. Our options allowed for 6 months of deferred interest and principal payments to help ease the burden during this unprecedented time.

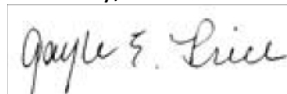
Currently, there is a constant battle with Mobile Home parks in regards to back lot rent. Mobile Home Parks are unforgiving even when they have not followed the RSA requirements for notifications and abilities to rectify the back lot rent, to the point that many banks have stepped away from lending on Mobile Homes. This will be no different should this bill pass for Condominium Associations. Banks will start limiting or eliminating that product line due to the risk associated with the ability for a Condominium Association to foreclose due to unpaid assessment fees.

Additionally, Condominium Associations have multiple avenues already in effect within RSA 356-B:46 (a)(c)(d)(e) to remedy any default on association dues. Within RSA 356-B:46 and 46(a) there are assurances that if the Condominium Association follows the RSA the outstanding dues become a priority lien. When coupled with the requirements of a Mortgage Deed from a lienholder that requires that no additional lien shall encumbrances the priority lien there is adequate protection for Condominium Associations to obtain delinquent dues. This RSA further expands a remedy to require that the unit owner be required to pay 6 months in advance, and, should they ever become delinquent the Condominium Association can use said funds to pay the default.

I implore you to reconsider the language presented in HB 462. At this time, this bill should not be passed as the both the timing of this bill and the language create multiple issues.

Thank you for your consideration.

Sincerely,



Gayle E. Price | SVP – Chief Human Resources Officer

Bank of New Hampshire | 62 Pleasant Street, Laconia, NH 03246

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Archived: Wednesday, April 14, 2021 10:21:39 AM

From: Ross Bartlett

Sent: Monday, March 1, 2021 1:55:29 PM

To: ~House Commerce Committee

Subject: HB 462

Importance: Normal

Dear Members of the House Commerce and Consumer Affairs Committee,

I write to you today in opposition to HB 462. Passage of this bill will reduce availability of traditional financing for condo owners as banks start limiting or eliminating that product line due to the risk associated with the ability for a condominium association to foreclose due to unpaid assessment fees. This will ultimately have a negative impact on condo owners, condo associations, and the wider economy.

Condo associations have multiple avenues already in effect within RSA 356-B:46 (a)(c)(d)(e) to remedy any default on association dues. For example, there are assurances that if the association follows the RSA the outstanding dues become a priority lien. When coupled with the requirements of a mortgage from a lienholder that requires that no additional lien shall supersede the mortgage lien, there is adequate protection for condominium associations to collect delinquent dues. This RSA further expands a remedy to require that the unit owner be required to pay six months in advance, and, should they ever become delinquent, the condominium association can use said funds to pay the default.

By passing this bill now, you are allowing Condominium Associations to move forward to foreclosure once the stay on evictions is lifted. Whereas, lienholders, such as Bank of New Hampshire, have worked tirelessly to keep families in their homes during this time. In a time when employment is a real concern due to a global pandemic, passage of this bill should wait and be more carefully thought out. Since the beginning of the pandemic, Bank of New Hampshire provided 253 deferment options to consumers that did not have the ability to make their monthly obligations due to lack of income. Unemployment benefits were used by these consumers to put food on the table and cover regular household bills that were not covered under relief options in the Emergency Orders provided by the Governor. Our program allowed for six months of deferred interest and principal payments to help ease the burden during this unprecedented time.

I implore you to reconsider the language presented in HB 462. At this time, this bill should not be passed as the both the timing of this bill and the language create multiple issues.

Thank you for your consideration.

Sincerely,

Ross Bartlett

Ross Bartlett | Executive Vice President | Chief Commercial Banking Officer

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Archived: Wednesday, April 14, 2021 10:21:39 AM

From: Christopher J. Logan

Sent: Monday, March 1, 2021 1:34:16 PM

To: ~House Commerce Committee

Subject: HB 462

Importance: Normal

Dear House Commerce and Consumer Affairs Committee,

I write to you today for consideration of not passing HB 462. By passing this bill now, you are allowing Condominium Associations to move forward to foreclosure once the stay on evictions is lifted. Whereas, lienholders, such as Bank of New Hampshire, have worked tirelessly to keep families in their homes during this time.

In a time where employment is a real concern due to a global pandemic, passing of this bill should wait and be more carefully thought out. Bank of New Hampshire provided 253 deferment options to consumers that did not have the ability to make their monthly obligations due to lack of income. Unemployment benefits were used by these consumers to put food on the table and regular household bills that were not covered under relief options in the Emergency Orders provided by the Governor. Our options allowed for 6 months of deferred interest and principal payments to help ease the burden during this unprecedented time.

Currently, there is a constant battle with Mobile Home parks in regards to back lot rent. Mobile Home Parks are unforgiving even when they have not followed the RSA requirements for notifications and abilities to rectify the back lot rent, to the point that many banks have stepped away from lending on Mobile Homes. This will be no different should this bill pass for Condominium Associations. Banks will start limiting or eliminating that product line due to the risk associated with the ability for a Condominium Association to foreclose due to unpaid assessment fees.

Additionally, Condominium Associations have multiple avenues already in effect within RSA 356-B:46 (a)(c)(d)(e) to remedy any default on association dues. Within RSA 356-B:46 and 46(a) there are assurances that if the Condominium Association follows the RSA the outstanding dues become a priority lien. When coupled with the requirements of a Mortgage Deed from a lienholder that requires that no additional lien shall encumbrances the priority lien there is adequate protection for Condominium Associations to obtain delinquent dues. This RSA further expands a remedy to require that the unit owner be required to pay 6 months in advance, and, should they ever become delinquent the Condominium Association can use said funds to pay the default.

I implore you to reconsider the language presented in HB 462. At this time, this bill should not be passed as the both the timing of this bill and the language create multiple issues.

Thank you for your consideration.

Christopher Logan | Chief Operating Officer

Bank of New Hampshire | 62 Pleasant Street, Laconia, NH 03246

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Bill as
Introduced

HB 462 - AS INTRODUCED

2021 SESSION

21-0661

10/05

HOUSE BILL **462**

AN ACT relative to lien assessments by condominium associations.

SPONSORS: Rep. Infantine, Hills. 13

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill establishes a procedure for the enforcement of a lien assessment on a condominium unit owner by the unit owners' association.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struckthrough.]~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT relative to lien assessments by condominium associations.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Paragraph; Condominium; Liens for Assessments; Enforcement. Amend RSA 356-B:46
2 by inserting after paragraph IX the following new paragraph:

3 X.(a) Any suit to enforce any lien perfected under paragraph III shall be filed in a court of
4 competent jurisdiction serving the city or town where the unit is located. At least 30 days prior to
5 the filing of the suit, the unit owners' association shall send by first class mail and certified mail
6 notice to the unit owner and institutional lender holding the first mortgage of record, of the unit
7 owners' association's intent to file the suit to enforce the lien. Said notice to be sent to the address of
8 the first institutional lender in accordance with paragraph I. Notice to be sent to the unit owner
9 shall be sent to the unit address unless the unit owner has provided the unit owners' association
10 with a different address in writing.

11 (b) Any suit shall name as parties thereto the unit owner and all lienholders of record as
12 they appear with the registry of deeds as of the date of the filing of the suit. Such lienholders shall
13 be named as parties-in-interest to the suit.

14 (c) When the amount of a lien under this section has been established by a court, the
15 court shall enter an order authorizing the sale of the unit to satisfy the lien in accordance with the
16 requirements of RSA 479:25 and RSA 479:26 and other terms and conditions that may be
17 established by the court. The reasonable legal fees and costs incurred by the unit owners'
18 association shall be included as part of the lien and part of the priority lien, if any, pursuant to
19 paragraph I. Lienholders shall be entitled to an accounting of the legal fees, costs, and expenses,
20 and condominium assessments for purposes of verification upon written request.

21 (d) The unit owners' association's right to foreclose under this section shall neither
22 create an obligation to do so nor prohibit the exercise of any other remedy available pursuant at law
23 or in equity.

24 2 Effective Date. This act shall take effect January 1, 2022.