

March 18, 2015

Dear Chairman Balmer and committee members,

I am writing today to ask you to support Senate Bill 177, important legislation that will protect all homeowners in a condominium community. I was not able to come to the state Capitol to testify on Senate Bill 177, but I wanted to briefly share my experience with this issue.

My wife and I own a condo and lived there with our four young children. A few years ago, we decided to rent our condo and move into a single-family home, which we also rented. We now want to purchase a home for our family, and so we started the process to sell our condo. That's when we started to experience, first hand, how Colorado's laws governing HOAs and construction defects lawsuits can negatively impact homeowners in an association.

Our condo has no defect issues, but that doesn't matter now that the construction defects process has started for our condo building.

When this first started, we received a letter from the HOA Board stating that this action was for "exterior property defects" only and didn't have anything to do with the units themselves. We were told that if we didn't consent to their proposal, then we as homeowners would be responsible for the costs and our HOA fees would jump dramatically. They made no mention of the length of time this whole thing would take. Once they proceeded with the lawsuit, they told us that they were now going to include defects from the units themselves (which ours does not have). They eventually sent all homeowners a checklist telling us to mark down what defects our units have.

We put our condo on the market about a year ago and received four full-price offers. But because of the litigation, all four potential buyers could not receive mortgage financing. That's because our condo, despite having no defects, is now tied up in a lawsuit in which the ramifications weren't clearly stated to us.

My family is now in housing limbo, with the potential home value decreasing as people drop their sale prices just to get their condo sold. We cannot move our four children back into a two-bedroom condo. Renting a single-family home is becoming financially impractical. But most importantly, we cannot qualify for a new FHA mortgage until we sell our condo.

As you discuss Senate Bill 177, please consider the impact this issue has on my family's livelihood. If the consumer protections in Senate Bill 177 governed how my HOA dealt with the building's defect issue, myself and other homeowners would be more aware of impending litigation and full ramifications of what this would mean. If we had been fully informed, I would have been able to better manage this situation for my family.

Please support Senate Bill 177.

Sincerely,

Jordan Cantalamessa
Colorado Springs, CO