Working Group on Common Interest Communities and Homeowner Associations Written Remarks November 26, 2024

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Chair Bahner, Co-Chair Lucero, and Working Group members;

My name is Lynn Boergerhoff. I have 9 years' experience as an HOA board president. I am the founder and President of the HOA Leadership Network. Our mission is to connect and support HOA board leaders through education, collaboration, and research. We have a website, (<u>www.healnet.com</u>), and provide monthly educational meetings at four locations for our nearly 1,000 members.

Townhome, condominium, and other homeowner associations (HOAs) are more alike than different. Their volunteer board leaders, elected by fellow homeowners, need and want to be successful. Their HOA's governing documents grant the board authority and require fiduciary duties to protect and maintain the HOA property value. HOA board leaders have a vested interest in the financial health of the HOA and their homes yet few have prior board leadership experience. Volunteer HOA board leaders manage the interrelated roles of governing, financial management, and promoting a community of homeowners. Healthy HOAs benefit their neighborhoods, cities, counties, and the state. HOA board leaders need and want to develop the knowledge and skills to be successful. Policy-makers can and should enable that educational support.

HOA homeowners have the right to benefit from HOA living. Homeowners are legally members of their HOA with corresponding rights and duties. Of critical importance is the homeowner duty to follow HOA requirements, including to pay assessments fully and on time. The Minnesota Common Interest Ownership Act (MN Stat 515B) and the HOA's governing documents contain many board governance and financial practices intended to protect the HOA and its homeowners' financial investment in their homes and common property. Many HOA homeowners need and want to participate in and benefit from HOA living, including effective grievance procedures to resolve conflicts. Policy-makers can and should enable that educational support and establish effective grievance procedures.

I respectfully ask that the Working Group on Common Interest Communities and Homeowner Associations consider my recommendations to:

- 1. Codify Minnesota HOA board leader education
- 2. Codify Minnesota HOA homeowner grievance mechanism
- 3. Promote certification of Minnesota HOA association managers
- 4. Strengthen HOA registration in Minnesota Secretary of State
- 5. Strengthen regulatory oversight of Minnesota HOA insurance.