

Legislative Update



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The financial theme of this issue of *Community Trends*® motivated me to evaluate some of the legislative initiatives of the Legislative Action Committee for their relevance to the financial well-being of community associations and their professionals. Most, if not all, legislation has some financial pertinence and LAC is sensitive to this fact. Not surprisingly, the financial concerns (and sometimes, woes) of community associations are driving forces in just about every move that LAC takes.

Perhaps most significant are the mortgage foreclosure reform efforts on which LAC's recently-formed subcommittee on foreclosure reform is concentrating its efforts. While there have been a number of bills introduced in recent years in order to deal with mortgage foreclosures, the slow pace of foreclosure litigation drains the coffers of community associations. Associations have no alternative but to wait for mortgage lenders to commence the foreclosure of mortgages of delinquent owners. In addition to the routine delays, institutional lenders are often met with impediments when they try vigorously to pursue actions that they have commenced.

When a foreclosure has been completed and the home finally sold at sheriff's sale, the New Jersey Condominium Act at N.J.S.A. 46:8B-21 reduces a community association's claim to an amount not in excess of six months of the customary condominium assessment. Even when an association diligently pursues delinquent owners in its collection process, a myriad issues may become

byproducts of a foreclosure, including, but not limited to: the loss of common expense income while the action is pending, the potential for physical damage by a vacant unit to adjoining units and common areas, the adverse impact of abandoned homes on the aesthetics and value of the community and difficulties with tenants and transient occupants (who may still be making rent payments to the delinquent owner).

Expediting uncontested foreclosures and the foreclosure of abandoned premises, the maintenance of abandoned premises and the appointment of rent receivers are forms of relief for community associations which the subcommittee is pursuing. The advancement of these bills will benefit the financial health of our communities. In next month's edition of *Community Trends*®, subcommittee member, Thomas C. Martin, Esq. will discuss pending bills and the efforts of the subcommittee.

Concern for the fiscal well-being of our communities and their property managers was one reason manager licensing efforts stalled last year. Projected costs to implement the licensing program undoubtedly would have made the licensing fees prohibitive, especially when coupled with the costs borne by property managers to satisfy educational and examination requirements. LAC is currently investigating alternative credentialing proposals in other states as well as existing educational resources already available in New Jersey.

In closing, I am pleased to personally invite you to LAC's Spring 2015 Community

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Association Legislative Updates program, the first of two programs which will be presented this year by members of LAC. These programs will give LAC members a much-appreciated opportunity to share with you its year-long efforts. The discussion will include mortgage foreclosures, abandoned properties and rent receiverships, the *Dubliner* decision and its impact on speech in community associations, manager licensing, the Municipal Services Act, emergency planning including the use of generators and clubhouses as emergency shelter, the advancement of homeowners rights, compliance with FHA, FNMA and other mortgage requirements and accommodations for the disabled.

The program will be free of charge and open to CAI and non-CAI members. However, you must pre-register and as space is limited, attendance is limited to the first 60 registrants at each location. The South/Central New Jersey program will be held on Wednesday, May 6, 2015, at Greenbriar Woodlands, 1 Kensington Circle in Toms River. The North/Central Jersey program will be held on Wednesday, May 13, 2015, at Renaissance at Raritan Valley, 1 Renaissance Boulevard in Somerset. Doors will open at 9:00 a.m. for registration and the program and time for questions will run from 9:30 a.m. to 12:00 noon.

So please come and feel welcome extend this invitation to all board members and your colleagues as well. For information, contact Larry Thomas at (609) 588-0030 or larry@cainj.org. ■