



February 1, 2016

The Hon. Blaine Luetkemeyer
2440 Rayburn House Office Building
Washington DC 20515

Dear Rep. Leutkemeyer:

On behalf of the Community Associations Institute (CAI)¹, I am pleased to offer support for H.R. 3700, the Housing Opportunity Through Modernization Act of 2015. CAI members commend your leadership in the development of Title III of the Act, which will ease regulatory burdens and eliminate costly barriers to Federal Housing Administration (FHA) condominium project approval.

Condominiums are often the lower-cost housing option that meets the needs of first-time and minority homebuyers. Unfortunately, the majority of these households have been cut off from FHA programs due to an administrative misalignment that places greater emphasis on the bureaucratic process than responsibly achieving the Agency's housing mission or meeting constituent need.

By removing unnecessary and costly barriers to FHA condominium approval, more condominium households will benefit from lower housing costs through reduced FHA mortgage insurance premiums. This will have an important market impact not only in Missouri, where over the past two years 170 condominiums have allowed an FHA approval to expire, but across the country as well. That only 120 condominium projects in Missouri are currently FHA-approved illustrates the need for the regulatory relief H.R. 3700 will provide.

H.R. 3700 addresses the drastic runoff in FHA's condominium program by easing recertification burdens, granting HUD field offices autonomy over exemptions for commercial space, providing clarity on minimum owner

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¹ CAI is the only international organization dedicated to fostering competent, well-governed community associations: planned communities, condominiums and housing cooperatives. For more than 40 years, CAI has been the leader in providing education and resources to the volunteer homeowner leaders who govern community associations and the professionals who support them. CAI's more than 33,500 members include homeowners, community managers, community management firms, and other professionals and companies that provide products and services to community associations.

occupancy requirements, and harmonizing regulatory treatment of transfer fees. CAI members applaud these commonsense reforms that will prompt more condominium associations to seek and maintain FHA approval.

CAI members commend your leadership in advancing this critical legislation through the House of Representatives. If you have any questions concerning the views of CAI members concerning H.R. 3700 do not hesitate to contact me at dbauman@caionline.org or (703) 970-9224.

Sincerely

A handwritten signature in black ink, appearing to read 'DM Bauman', with a long horizontal flourish extending to the right.

Dawn M. Bauman
Senior Vice President, Government and Public Affairs
Community Associations Institute

cc: The Hon. Jeb Hensarling
The Hon. Maxine Waters
The Hon. Emanuel Cleaver