

My name is Bill Bittenbender, President of the Alliance of Brunswick County Property Owners Association (ABCPOA). I am a homeowner in St James Plantation and have served as a Board Member and President of our HOA. I thank you for the opportunity to speak to you today regarding the very important subject of the operations and governance of homeowners associations in North Carolina.

The ABCPOA represent 16 HOA communities governed by volunteer Boards with over 12,000 residents. Our objectives are to promote organized growth that protects property values and enhances the safety, health and quality of life of all Brunswick County residents.

I know that sometimes we seem to hear only negative stories about HOAs and their operations. I am here to state to you that there are a far greater number of organizations that are operated in an appropriate and business-like manner.

We are supportive of measures to make the governance process open and transparent to all of the members of our Associations. Many of our members do have regular open meetings where residents can raise issues and have their questions and their concerns addressed. None of us like to hear stories of an HOA Board that ignores the wishes of their constituents and keeps information within the confines of board members only. There are certainly times when a Board needs to be able to talk in private regarding personnel or pending contract issues but the majority of meetings should be open since that is where actions regarding rules, regulations and finances are decided.

An area of great importance is the ability of an association to collect assessments that are due the HOA. Dues are a necessary requirement and fund maintenance for roads and common areas. Foreclosure to collect dues should be the last step an HOA Board takes to collect monies owed after all other intermediate steps have failed. In a practical sense once foreclosure becomes necessary there are generally other interested parties that are trying to collect funds due them by a homeowner. The HOA normally has the most junior claim on a particular property after the government and the bank have exercised their rights. It is an expensive process and quite frankly doesn't bode well for the HOA in terms of ever collecting what is owed. Yes, we can file

a lien but in most cases the lien filings are relatively small and collection is always an issue. Often simply the threat of legal action will convince the delinquent homeowner to pay what they owe to the HOA or at least work with the HOA on a payment schedule. Take away that tool and an HOA has no recourse.

My final comment is that when a homeowner is unwilling to pay their fair share of assessments, which they contractually agreed to do when they purchased the property, the burden for making up any budget shortfall as a result of their actions falls on the other members of the community. Is this a fair way to manage any association or organization; Would you be able to manage such a business or a government successfully? This would be analogous to operating the State Government when some taxpayers don't pay their taxes. It transfers their tax burden to the responsible, tax paying citizens. That's not fair.

Thank you for the opportunity to speak.