



**ASHLEY M. YORRA**

(503) 684-4111  
amy@vf-law.com  
*Admitted to Practice in  
Oregon*

March 7, 2023

Good Morning Chair and Committee Members,

I am a Partner at Vial Fotheringham LLP, which is a law firm in the Greater Portland Metro area. Our law firm represents a significant number of Condominium and Homeowner Associations throughout Oregon. I will use the terms Association and HOA to refer to any Association under either the Planned Community Act, as defined in ORS 94.550 et. seq., or the Oregon Condominium Act, as defined in ORS 100.

HB 2008 will result in an adverse impact on HOAs, individual owners in Associations, and renters in Associations. Undoubtedly this bill will cause Association dues, known as “assessments”, to be raised as an offset against uncollected assessments of non-paying owners because collection is no longer an option. This bill will effectively eliminate personal collection against many owners in Associations throughout Oregon. The bill does this by raising garnishment threshold amounts both on wages and bank accounts to unprecedented high levels, and by adding provisions to the UDCPA permitting class actions, with no limits, and expanded statute of limitations that will drive the cost for Association collection work to untenable levels.

First, as you may be aware, assessments are the lifeblood of Associations. Without assessments, the Association cannot fulfill its duties to the owners, which by way of example and without limitation may include providing essential water and sewer services to the unit owners, maintaining a high-rise or walk-up condominium building, purchasing insurance on the buildings, or providing for landscaping services in common areas.

There are many smaller Associations in Oregon that have 4-20 owners in the Association. That means if an owner fails to pay assessments, for any reason, it can greatly affect the budget of an Association. In smaller Associations, if one owner stops paying, it disproportionately affects all owners. If the Association doesn't have the funds it needs, it will have to charge the paying owners greater sums to cover the legal obligations required of the Association. In other words, the neighbors in an Association will have to foot the *HIGHER* bill for the non-paying owner.

If the bill is enacted as written, it would effectively prohibit personal collection against a large group of homeowners which would in turn cause paying owners to bear the burden of the non-paying owners' bills. This cannot realistically be the outcome the legislature desires.

Second, across the nation and here in Oregon, Associations are facing the issue of aging buildings. In order to fund the repairs and replacements on those buildings, Associations obtain loans from banks. Often underwriting requires Associations to have less than ten percent (10.0%) delinquencies to qualify for a loan. We are frankly very concerned this bill will have the unintended consequence of disqualifying Associations from lending opportunities.

Finally, if an owner doesn't pay assessments, Associations also have an option to foreclose on an Association lien. The unintended consequence of the bill is that it may cause Associations to turn to foreclosure of the lien, in lieu of the judgment collection remedies impacted by this bill, and may ultimately drive further homelessness in Oregon.

If this bill carries, it will disproportionately impact middle to lower housing and cause a debtor's neighbors to pay more to cover the non-paying owners. If the legislature wants to protect owners in Associations from higher housing costs, I urge you to vote NO on this bill.

Thank you,

**VIAL FOTHERINGHAM LLP**

Ashley M. Yorra

*Partner at Vial Fotheringham LLP*

AMY\tfh