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Florida condo relief bill passes, now goes to governor

> Posted by Paul Owers on April 28, 2010 02:18 PM

With a 107-4 vote, the Florida House on Wednesday passed condominium relief legislation that requires lenders to pay more in past-due assessments on foreclosed properties.

The Senate version passed 38-0 earlier this month. The bill now goes to Gov. Charlie Crist.

As it is now, when a bank forecloses on a condo, the lender pays the association six months of overdue assessments or 1 percent of the original mortgage debt, whichever is less. This bill now requires lenders to fork over 12 months of assessments or 1 percent of mortgage debt.

"That's huge," said Donna DiMaggio Berger, a Fort Lauderdale lawyer who helped draft the measure. "How often do the banks agree to pay more?"

Berger, executive director of the statewide Community Advocacy Network, said Crist holds in his hands the financial future of thousands of condo and co-op associations, which are struggling as foreclosures mount.

The bill also restricts common-area uses and suspends voting rights for condo owners who are 90 days delinquent. In addition, the bill would make it easier for condo associations to opt out of expensive fire sprinkler, smoke detector and elevator upgrades that must be completed by 2014.

With no line-item veto at his disposal, Crist nixed a similar bill last year. He sided with fire marshals and others, who cited the lack of sprinkler systems as a safety issue.

Unlike last year, though, Berger's Community Advocacy Network lobbied municipalities across the state to pass resolutions supporting the bill.

"I don't know how (Crist) can ignore these grass-roots efforts," she said.

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