

April 9, 2025

Chair Her, Chair O'Driscoll, and Members of the House Commerce Committee:

Thank you for the opportunity to submit written testimony on Chair Her's HF 2443, the omnibus commerce budget bill.

Minnesota Realtors® (MNR) was founded in 1919 and is a business trade association with a membership of over 21,000 real estate professionals statewide.

Task Force on Homeowners and Commercial Property Insurance (Art. 2, Sec. 5)

MNR supports the language in the bill creating a task force on homeowners and commercial property insurance.

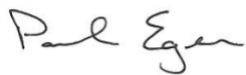
Over the past couple of years, MNR has been hearing from our members about the challenge that rising insurance costs, and in the case of HOAs, availability of insurance, is having on the housing market and those trying to get into homeownership. Alongside the limited supply of housing that is driving up costs and higher mortgage rates, the rising cost of insurance and property taxes are also contributing to the growing financial pressure on homeownership.

Our research director put together data that showed the extent to which homeowner budgets are being stretched: In 2024, the monthly PITI (Principal-Interest-Taxes-Insurance) payment on a median priced home in Minnesota was \$2,551. In 2021, it was \$1,622. That is an approximately 57% increase in just three years and insurance costs are contributing to that upward pressure on homeowner budgets.

Lack of access to insurance or inadequate coverage can also limit the financing available to buyers, particularly where an HOA master policy does not meet Fannie Mae/Freddie Mac guidelines.

We appreciate the thoughtful approach of establishing a task force charged with crafting recommendations to strengthen and stabilize the homeowners and commercial property insurance industry in Minnesota. We also appreciate that MNR is designated in the language as having a representative on the group and we look forward to participating in the important work that will be undertaken by this task force.

Sincerely,



Paul Eger
Senior Vice President, Governmental Affairs
Minnesota Realtors®