

March 18th, 2024

Dear The Honorable Zach Stephenson, Chair, Commerce Finance and Policy Committee,

We are writing on behalf of the Contract for Deed Reform Coalition to express our full support for Minnesota House File 3692, which aims to reform contract-for-deed home sales. This file represents a significant step toward ensuring that all members of our community have equitable access to safe and stable housing.

As a result of House File 3692, individuals and families seeking housing through contract-for-deed arrangements will have increased protection. This file protects vulnerable populations from predatory practices that can result in housing instability and financial exploitation. It does this by capping interest rates, mandating comprehensive disclosures, and providing buyers with enhanced legal rights and resources.

Furthermore, we strongly believe that safe and stable housing is essential to generational stability and accountability within our community. A stable housing environment facilitates the building of futures for individuals and families, by fostering a sense of belonging and security that is essential to both individual and economic well-being. House File 3692 establishes reforms to ensure fair and transparent housing transactions. This allows individuals and families to establish roots, invest in their communities, and achieve long-term success.

A more just and inclusive society relies heavily on housing equity. House File 3692 addresses disparities in homeownership access and combats discriminatory practices within the housing market. This is to advance housing equity and ensure that all members of our community have equal opportunities to own a home.

As a final point, we urge you to support Minnesota House File 3692 and make its passage a priority. With reforms designed to protect home buyers' rights and promote equitable access to housing, Minnesotans can look forward to a more secure and prosperous future.

Contract for Deed Reform Coalition Urges you to Vote YES for House File 3692. If you have any questions please do not hesitate to contact us

Thank you for your attention to this matter.

Sincerely,



Ayada Leads, Jewish Community Action, Reviving Sisterhood, OurStreetsMpls, CAIR-MN, HomeLine

3/18/2024

Dear The Honorable Zach Stephenson, Chair, Commerce Finance and Policy Committee,

Our Streets Minneapolis stands alongside other members of the Contract for Deed Reform Coalition to express our full support for Minnesota House File 3692, which seeks to reform contract-for-deed home sales.

Our Streets Minneapolis is a grassroots organization that works to put people first in transportation projects and advance a community where everyone thrives. We talk with people every day, at their doors, businesses and transit stops, about the transportation projects in their communities. Housing and transportation go hand in hand. During doorknocking conversations, the need for stable housing is one of the most discussed topics by community members.

Just like streets and bridges, safe and stable housing is essential infrastructure. A stable housing environment fosters a sense of belonging and security that is essential to both individual and economic well-being. H.F. 3692 establishes long-overdue reforms to ensure fair and transparent housing transactions.

This bill represents a significant and needed step toward ensuring that all members of our community have equitable access to safe and affordable housing. Contract-for-deed sales lack the protections of traditional mortgages, leaving buyers vulnerable to predatory practices. These contracts often result in high interest rates, hefty fees, and little legal recourse for buyers if they default. As a result, many community members end up losing their homes and any equity they've invested.

H.F. 3692 would ensure that individuals and families seeking housing through contract-for-deed arrangements have increased protection. By capping interest rates, mandating comprehensive disclosures, and providing buyers with enhanced legal rights and resources, this bill protects vulnerable populations from predatory practices that can result in housing instability.

A more just and inclusive society relies heavily on housing equity. House File 3692 addresses our region's steep racial disparities in homeownership access, which have been shaped by racially restrictive covenants, redlining and other discriminatory housing market practices.

We urge you to support Minnesota House File 3692 and make its passage a priority.

Thank you for your attention to this matter.

Sincerely,

José Antonio Zayas Cabán
Executive Director, Our Streets Minneapolis



March 17, 2024

The Honorable Zack Stephenson, Chair
Commerce Finance and Policy Committee
449 State Office Building
St. Paul, MN 55155

The Honorable Tim O'Driscoll, Ranking Minority Leader
Commerce Finance and Policy Committee
237 State Office Building
St. Paul, MN 55155

Dear Chair Stephenson and Committee Members:

The Minnesota Council on Latino Affairs (MCLA) is in full support of the new contract requirements for deeds in bill HF3692, authored by Rep. Hassan. This bill will bring transparency, protections, and fairness in transactions involving investor-sellers and buyers of homes on a contract for deed.

Media stories in Minnesota and nationally, and complaints to the Attorney General, the Department of Commerce, and legal and housing advocacy organizations, have revealed the predatory nature of some of these transactions and the risks posed to buyers, particularly those in the Somali and Latine communities.

While preserving the status quo for contracts for deed between individuals, this initiative will increase protections for buyers entering into these contracts, provide key new rights of buyers and requirements of investor-sellers, require critical and prominent disclosures (including the language in which the transaction was advertised or negotiated), will protect buyers regarding the recording of the contract, and assure strong remedies for violation.

The Council believes that with the proper information and communication, this bill will reduce -if not eliminate- any threats for our communities that strive for homeownership and generational wealth, creating more prosperity in the state. We respectfully advise to support this bill as well.

Sincerely,

Rosa Tock
Executive Director

March 2024

Dear, The Honorable Zach Stephenson, Chair, Commerce Finance and Policy Committee,

We are writing as members of the *One Economy for Minnesota!* Campaign to express our full support for Minnesota House File 3692, which seeks to reform contract-for-deed home sales. As our campaign seeks to ensure dignified housing is accessible to Minnesota's immigrant families, we believe we have a role to inform you of our support for deed reform.

Contract-for-deed home sales create a vehicle for many Minnesota families to build generational wealth through home ownership. For reasons of faith, personal relationships, or barriers of access to traditional credit, many community members prefer this option to purchase secure, long-term housing.

However, vulnerable populations are also susceptible to predatory practices that can result in housing instability and financial exploitation. To ensure these contracts are truly mutually beneficial arrangements, we must cap interest rates, mandate comprehensive disclosures, and provide buyers with enhanced legal rights and resources.

This bill is part of a larger effort to ensure stable housing pathways for all Minnesotans. The *One Economy for Minnesota!* Campaign urges you to Vote YES for HF 3692. If you have any questions, please do not hesitate to contact us.

Sincerely,

One Economy for Minnesota!

COPAL, LatinoLEAD, HACER, Equity in Place, Region Nine Development Commission

