



**Hawaii
Association of
REALTORS®**
www.hawaii Realtors.com

The REALTOR® Building
1136 12th Avenue, Suite 220
Honolulu, Hawaii 96816

Phone: (808) 733-7060
Fax: (808) 737-4977
Neighbor Islands: (888) 737-9070
Email: har@hawaii Realtors.com

February 25, 2008

The Honorable Robert N. Herkes, Chair
House Committee on Consumer Protection & Commerce
State Capitol, Room 325
Honolulu, Hawaii 96813

RE: H.B. 2492 Relating to Planned Community Associations
Hearing Date: Wednesday, February 27, 2008 @ 2:00 p.m., Room 325

Dear Chair Herkes and Members of the House Committee on Consumer Protection & Commerce:

On behalf of our 10,000 members in Hawaii, the Hawaii Association of REALTORS® (HAR) **supports H.B. 2492.**

As real estate professionals dedicated to helping and informing prospective buyers of the complexities in purchasing a home, we know that the seller must disclose accurate information of material facts, as well as provide documents pertaining to homeowner, condominium, subdivision, or planned unit development organizations. HAR supports the disclosure of all known material facts pertaining to physical conditions of the property which could affect an ordinary buyer's use and enjoyment of the property, or any intended use of the property of which the seller is aware.

Since the passage of ACT 276, SLH 2006, which requires the mandatory seller disclosure statement to include the planned community declaration and association documents, issues have materialized as to (1) what is defined as a planned community under Chapter 421J-2, Hawaii Revised Statutes, and (2) the lack of explanation on "planned community declaration and association documents."

HAR believes if the residential real property being offered for sale is in a planned community or subdivision that has CC&R's (Covenants, Conditions, and Restrictions), design standards and/or guidelines, "disclosure statement" should include these documents. Furthermore, it should state that if a subdivision with CC&R's has an umbrella subdivision or community association that has its own CC&R's, those documents shall also be made available at the same time.

Language to effect this disclosure is already included in HAR's Purchase Contract, a copyrighted HAR standard form. However, only REALTORS® use HAR standard forms and H.B. 2492 will address and clarify what is to be disclosed for all sellers.

Mahalo for the opportunity to testify.

00076