



P.O. Box 976
Honolulu, Hawaii 96808

The Honorable Rosalyn H. Baker, Chair
Committee on Commerce and Consumer Protection

RE: BILL: SB1483
DATE: February 23, 2011
TIME: 8:30 a.m.
PLACE: Conference Room 229

Dear Senator Baker and Members of the Committee:

This testimony is submitted (post hearing at the request of the Senator as I made a short statement on the floor on the following issues) on behalf of the Hawai'i Legislative Action Committee of the Community Associations Institute ("CAI"). CAI is a non-profit national and statewide organization whose members include condominium associations, planned community associations, residential cooperatives, homeowners, managing agents, and others involved in creating, managing, servicing, and living in common interest communities.

1. While CAI is as committed to transparency and availability of documents to members of condominium associations, **this bill is clearly a bill that was conceived and drafted by persons who make a living selling condominiums and must be read in that light.** The sales commission earned by these agents for the sales of these condominiums are generally thousands of dollars or even tens of thousands of dollars. Nevertheless, the sales agents are complaining about having to pay the condominium associations or their managers for the documentation necessary to consummate the sale. CAI is supportive of making documents easily available to sales agents but not at the cost of the condominium owners (unless the sales agents would like to share their commission with the members of the condominium association!).
2. Perhaps the most important document completed by the association on behalf of sales agents is known as the "RR105c". This document discloses information that would likely only be known by the association and its board (for example, how many delinquencies are pending in the association, is the association facing a special assessment). Thus, there

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cannot be a complete disclosure absent the association providing this instrument which exposes the association and its members to liability for a transaction for which they are not involved.

3. This is a bad year for the Legislature to be enacting bills that will increase maintenance fees as the rate of foreclosure supports the fact that the costs of operating a condominium association are increasing at a rapid rate.

Thank you for the opportunity to submit this testimony. If you have any questions, I can be reached at 697-6006 or by email at jneeley@alf-hawaii.com.

COMMUNITY ASSOCIATIONS INSTITUTE
HAWAII LEGISLATIVE ACTION COMMITTEE

/s/ Joyce Y. Neeley

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