

ito2-Kalani

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 06, 2012 3:45 PM
To: HSGtestimony
Cc: gomem67@hotmail.com
Subject: Testimony for HB1883 on 2/8/2012 9:10:00 AM

Testimony for HSG 2/8/2012 9:10:00 AM HB1883

Conference room: 325
Testifier position: Oppose
Testifier will be present: No
Submitted by: Eric M. Matsumoto
Organization: Mililani town Assn
E-mail: gomem67@hotmail.com
Submitted on: 2/6/2012

Comments:

The specific maximum 10% late fees chargable under this bill is not practical or reasonable withut knowing the dues charged per month and the cost involved in sending reminder notices and the asociated G & A cosy of doing business. Consider assns with low monthly dues, say in the \$25, is \$2.50 practical or reasonable for the costs associated in sending out reminder notices? Or is it expected that the other timely dues paying honewoners cover the costs associated thAt this bill fails to cover? Is this another single problem asosciaiton issue with one homeowner where the >99% of the homeowners get penalized for the <1% who fail to meet their oblications? Request this bill be held.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 07, 2012 4:48 PM
To: HSGtestimony
Cc: doneal@mililantown.org
Subject: Testimony for HB1883 on 2/8/2012 9:10:00 AM

Testimony for HSG 2/8/2012 9:10:00 AM HB1883

Conference room: 325
Testifier position: Oppose
Testifier will be present: No
Submitted by: David O'Neal
Organization: Mililani Town Association
E-mail: doneal@mililantown.org
Submitted on: 2/7/2012

Comments:

Thank you for hearing my testimony against HB1883.

I request that this bill be held in committee.

Association dues are the responsibility of homeowner's in the Association. There are costs associated with the collection of late dues. Many Association's dues have low monthly rates, of which 10% won't cover the cost of sending a collection letter. Dues are a valid obligation for homeowners, and statistics prove that the longer an amount is outstanding, the chance of collecting the past due amount lessens. By limiting the late fee and requiring the passage of 30 days, it encourages delinquent homeowners to game the system to the detriment of the homeowner's who pay on time.

Again, I urge you to hold this bill and not pass it through your Committee. Thank you.

Dave O'Neal

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 07, 2012 4:48 PM
To: HSGtestimony
Cc: idiaz@mililantown.org
Subject: Testimony for HB1883 on 2/8/2012 9:10:00 AM

Testimony for HSG 2/8/2012 9:10:00 AM HB1883

Conference room: 325
Testifier position: Oppose
Testifier will be present: No
Submitted by: Ian Diaz
Organization: Individual
E-mail: idadiaz@mililantown.org
Submitted on: 2/7/2012

Comments:

Thank you for hearing my testimony against HB1883.

I request that this bill be held in committee.

Association dues are the responsibility of homeowner's in the Association. There are costs associated with the collection of late dues. Many Association's dues have low monthly rates, of which 10% won't cover the cost of sending a collection letter. Dues are a valid obligation for homeowners, and statistics prove that the longer an amount is outstanding, the chance of collecting the past due amount lessens. By limiting the late fee and requiring the passage of 30 days, it encourages delinquent homeowners to game the system to the detriment of the homeowner's who pay on time.

Again, I urge you to hold this bill and not pass it through your Committee.

Sincerely,
Ian Diaz



Villages of
Kapolei
Association

Honorable Rida Cabanilla
Chair: Housing Committee

Re: HB 1883 Relating to Planned Communities
February 8, 2012
9:10 a.m. Conference Room 325, State Capitol

Chair Cabanilla and Committee Members:

Thank you for allowing me the opportunity to testify in opposition to HB1883. My name is Warren Wegesend. I have been a Certified Property Manager (CPM) for over 40 years. I have managed everything from condominiums, commercial property, Public Housing to planned community associations. I am currently the General Manager of the Villages of Kapolei Association.

HB 1883 proposes to limit the late fees which can be charged by a Planned Community Association for association dues for amounts that are less than 30 days late to no more than 10% of the amount. This would impose a financial burden on the association and the larger majority of members who pay their dues on time. Our dues are only \$35.00 per month. Capping the late fees at 10 % would not cover the costs for time and materials necessary for the collection efforts.

Our association dues are due on the 1st of the month and late after the 15th. Payment of dues is a financial obligation of the owners. An obligation that they enter into and agree to when purchasing a home in a planned community association: not unlike any other financial obligation entered into. The penalties for breaching their financial obligations should be determined by the parties involved and not by this legislature. We should remember that there is a process for governance at the association level.

Thank you for your consideration and allowing me the opportunity to testify. I urge you to hold this bill.

Sincerely,

Warren F. Wegesend, Jr., CPM®
General Manager



P.O. Box 976
Honolulu, Hawaii 96808

February 7, 2012

Honorable Rida T.R. Cabanilla
Honorable Pono Chong
Committee on Housing (HSG)
415 South Beretania Street
Honolulu, Hawaii 96813

Re: HB 1883

Aloha Chair Cabanilla, Chair Chong and Committee Members:

As a member of the CAI Legislative Action Committee. CAI **opposes** HB 1883 (Relating to Planned Community Associations).

As written HB 1883 prevents community associations from charging more than ten percent of the dues in arrears for community association late fees under certain circumstances.

We believe that this will prohibit the association from collecting their members' assessments in a timely and professional manner, which ultimately prevents the association from paying their monthly expenses on time along with delaying funding of their scheduled capital repairs and improvements. It unfairly limits the ability of the community association to conduct business when just a few owners who do not pay their fair share force the other members in good standing to absorb their delinquencies.

Please note that the majority of community association's maintenance fees are extremely low and are usually collected on an annual basis. If the late fees are so low that it negates the impact of having a late fee in the first place as it doesn't provide the impetus for these delinquent owners' to pay one's debt. Again on behalf of Hawaii CAI-LAC we **oppose** HB 1883.

Warmest aloha,

Albert J. Denys, Jr.
Hawaii CAI-LAC Committee Member

Testimony to the House Committee on Housing
The Honorable Rep. Rida T.R. Cabanilla, Chair
The Honorable Rep. Ken Ito, Vice Chair
Members of the Committee

Wednesday, February 08, 2012
State Capitol, Conference Room 325

Testimony by
Raelene Tenno

Oppose with reservations

Bill No. and Title: 1883 RELATING TO PLANNED COMMUNITY ASSOCIATIONS

Purpose: Prevents community associations from charging more than ten per cent of the dues in arrears for community association late fees under certain circumstances.

As an Condo Owner since 1990, having served on 2 Homeowner boards and Association President of one of them, I oppose this bill.

Most condo associations have a late fee in place of approximately \$25.00 with the average Maintenance fee of approximately \$400.00 and up. I have 2 properties with Maintenance fees of \$300.00 with late fees of \$25.00 (8%). Although on the flip side of the coin I do have a property at \$60.00 Maintenance fee with a \$25.00 late fee (42%).

Associations don't like to asses late fees but it is a business necessity. If HRS 421J is amended to allow a 10% late fee cap, then some of us could be paying a higher late fee than what we are now at \$25.00 as the Managing Agents will encourage the raising of the late fee.

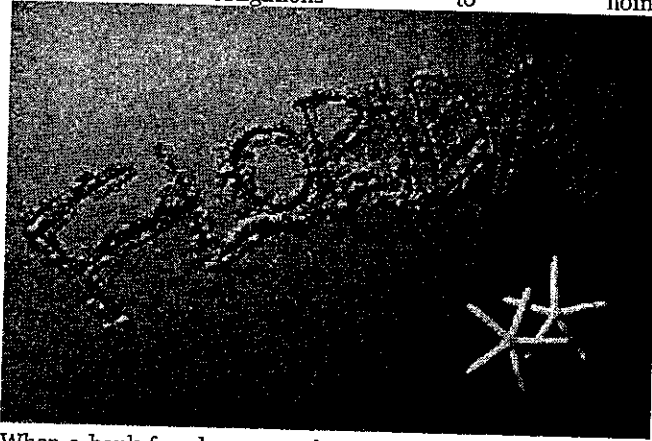
In a time where there are many foreclosures that are affecting Condo Associations, raising the late fees would only add more hurt and burden to the homeowner that is in financial trouble. Additionally, when the property is foreclosed those late fees are often times uncollected when the GSE's have set rules on what AOA fees they will pay. And in Hawaii, with a foreclosure property that is 1 year in arrears, the AOA can only collect the lesser of 6 months.

Perhaps the committee can consider
10% cap to \$25.00 whichever is less.

Florida Bill Limits Banks' HOA Obligations

02/03/2012 BY: KRISTA FRANKS 

Among the provisions stipulated in Florida's newly revised House Bill 319 are enhanced specifications regarding banks' obligations to homeowner associations (HOAs).



When a bank forecloses on a home, it potentially absorbs liabilities from unpaid homeowner or condo association fees, often compounded by late fees and attorney fees.

Reps. George R. Moraitis (R-Fort Lauderdale) and Fed Costello (R-DeLand) co-sponsored House Bill 319, providing banks clarification on just how much liability they incur regarding unpaid association fees.

According to the bill, a bank that absorbs a property through foreclosure is responsible for any unpaid homeowner association expenses that accrued during the 12 months prior to the bank's acquisition of the property or 1 percent of the original mortgage debt – whichever amount is less.

Under the updated bill, banks are not, however, responsible for late fees or attorney fees.

Without laws to protect banks from incurring excessive fees from community associations, some banks may be hesitant to lend to borrowers whose properties have homeowner associations, Anthony DiMarco, spokesman for the Florida Bankers Association, told the local newspaper the *Sun Sentinel*.

However, one Florida condo association treasurer feels differently. Robert Giacin told the *Sun Sentinel*, "Associations should be entitled to be reimbursed by banks for the reasonable time and fees that it takes to collect unpaid assessments."