
A BILL FOR AN ACT

RELATING TO FORECLOSURES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 667-92, Hawaii Revised Statutes, is
2 amended by amending subsection (f) to read as follows:

3 "(f) If the association is unable to serve the notice of
4 default and intention to foreclose on the unit owner or any
5 other party listed in subsection (e) (2) to (5) within sixty
6 days, the association may:

7 (1) File a special proceeding in the circuit court of the
8 circuit in which the unit is located, for permission
9 to proceed with a nonjudicial foreclosure by serving
10 the unit owner [~~only~~] or any other party listed in
11 subsection (e) (2) and (e) (5) by publication and
12 posting;

13 (2) Proceed with a nonjudicial foreclosure of the unit;
14 provided that if the association proceeds without the
15 permission of the court, the association shall not be
16 entitled to obtain a deficiency judgment against the
17 unit owner, and the unit owner shall have one year
18 from the date the association records the deed in the



1 nonjudicial foreclosure to redeem the unit by paying
2 the unit owner's delinquency to the association; or
3 (3) Take control of the unit if the unit is unoccupied,
4 after giving notice to the unit owner at the unit
5 owner's last known address as shown on the records of
6 the association or as determined by the association as
7 part of its due diligence to serve notice to the
8 owner. The association's authority to take control of
9 the unit pursuant to this paragraph shall be exercised
10 solely for the purpose of renting the unit to generate
11 rental income to pay the unit owner's delinquency, and
12 the association shall acquire no legal title to the
13 unit. In addition, the association shall credit the
14 net rental proceeds generated from the rental of the
15 unit to the owner's delinquency. For purposes of this
16 paragraph, "net rental proceeds" means the rental
17 proceeds remaining each month after deducting:
18 (A) The unit's regular monthly assessments that come
19 due while the association controls the unit
20 pursuant to this subsection;
21 (B) Any rental agent commissions; and



1 (C) Expenses incurred by the association in
 2 maintaining the unit in rentable condition.
 3 If the unit owner pays the full amount of the unit
 4 owner's delinquency to the association, the
 5 association shall return control of the unit to the
 6 unit owner; provided that the full amount of the unit
 7 owner's delinquency shall be calculated by deducting
 8 the total net rental proceeds collected by the
 9 association, if any, from the unit owner's
 10 delinquency."

11 SECTION 2. This Act does not affect rights and duties that
 12 matured, penalties that were incurred, and proceedings that were
 13 begun before its effective date.

14 SECTION 3. Statutory material to be repealed is bracketed
 15 and stricken. New statutory material is underscored.

16 SECTION 4. This Act shall take effect upon its approval.
 17

INTRODUCED BY: 

JAN 23 2014



H.B. NO. 2585

Report Title:

Foreclosure; Association Assessments; Notice

Description:

Specifies parties other than unit owners who may be served notice by publication and posting of nonjudicial foreclosure.

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