

JAN 23 2014

S.B. NO. 2978

A BILL FOR AN ACT

RELATING TO FORECLOSURE.

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 (a) to read as follows:

3 "(a) When a unit owner has failed to pay an assessment [~~7~~
4 ~~and when~~], the association shall not conduct a power of sale
5 foreclosure under this part unless the assessment is greater
6 than the total of any amounts owed by the association to the
7 unit owner and the association first offsets any amounts that it
8 owes to the unit owner against the amount of the assessment. If
9 the association intends to conduct a power of sale foreclosure
10 under this part, the association shall prepare a written notice
11 of default and intention to foreclose addressed to the unit
12 owner. The notice of default and intention to foreclose shall
13 state:

- 14 (1) The name and address of the association;
- 15 (2) The name and last known address of the unit owners;
- 16 (3) With respect to the unit, the address or a description
17 of its location, tax map key number, and certificate



- 1 of title or transfer certificate of title number if
2 registered in the land court;
- 3 (4) The description of the default or, if the default is a
4 monetary default, an itemization of the delinquent
5 amount;
- 6 (5) The action required to cure the default, including the
7 delinquent amount and the estimated amount of the
8 association's attorney's fees and costs, and all other
9 fees and costs related to the default estimated to be
10 incurred by the association by the deadline date;
- 11 (6) The date by which the default must be cured, which
12 shall be within sixty days after service of the notice
13 of default and intention to foreclose;
- 14 (7) A statement that if the default is not cured by the
15 deadline date stated in the notice of default and
16 intention to foreclose, the entire unpaid balance of
17 the moneys owed to the association will become due,
18 that the association intends to conduct a power of
19 sale foreclosure to sell the unit at a public sale
20 without any court action and without going to court,
21 and that the association or any other person may
22 acquire the unit at the public sale;



1 (8) A statement that if the default is not cured by the
2 deadline date stated in the notice of default and
3 intention to foreclose, the association may publish
4 the public notice of the public sale in a newspaper of
5 general circulation or on a state website, pursuant to
6 section 667-96(d);

7 (9) The name, address, electronic address, and telephone
8 number of the attorney who is representing the
9 association; provided that the attorney shall be
10 licensed to practice law in the State and physically
11 located in the State; and

12 (10) Notice of the right of the unit owner to submit a
13 payment plan within thirty days pursuant to subsection
14 (c)."

15 SECTION 2. This Act does not affect rights and duties that
16 matured, penalties that were incurred, and proceedings that were
17 begun before its effective date.

18 SECTION 3. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: Arvid Ylge



S.B. NO. 2978

Report Title:

Foreclosure; Associations

Description:

Requires an association to offset any amount that it owes a unit owner against the amount of the assessment prior to an alternative power of sale foreclosure.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

