



## Learn more about the Real Estate Branch (REB) of the Department of Commerce and Consumer Affairs

Check out the REB website [www.hawaii.gov/hirec](http://www.hawaii.gov/hirec) for more information and some frequently asked questions.

- What services does the REB provide to the condominium community?
- Where can I get help with association disputes?
- What laws apply to my condominium association?
- How do I get a copy of my association documents?
- How do I obtain a real estate license?
- What are the laws and rules for real estate licensees?

## Real Estate Branch

### About Us

The Real Estate Branch, as part of the Professional and Vocational Licensing Division, assists the Real Estate Commission in carrying out its responsibility for the education, licensure and discipline of real estate licensees; registration of condominium projects, condominium associations, condominium managing agents, and condominium hotel operators; and intervening in court cases involving the real estate recovery fund.

### Subscribe

Receive emails on relevant condominium educational materials. Sign up now at <http://cca.hawaii.gov/reb/subscribe/>

### Contact Us

Condominium Hotline: 808-586-2644  
Hours: 9:00 AM – 3:00 PM  
Email: [hirec@dcca.hawaii.gov](mailto:hirec@dcca.hawaii.gov)  
Web: [www.hawaii.gov/hirec](http://www.hawaii.gov/hirec)

*This brochure is for informational purposes only and not intended for the purpose of providing legal advice. Information provided is subject to change.*



### CONDOMINIUM: FINES AND FORECLOSURES

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## CONDOMINIUM:

## FINES AND FORECLOSURES

*Real Estate Branch  
Department of Commerce and  
Consumer Affairs*

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## Association Powers

The board of directors of an association is tasked with managing the condominium project on behalf of the owners. This entails keeping the peace, enforcing the governing rules, maintaining the buildings and amenities, and managing finances. To assist in some of these duties, associations are granted the power to fine and to foreclose on delinquent owners. Please contact legal counsel for more detailed information.

## Fines & Appeals

Associations often use the fining process **when owners, their tenants, and guests violate** the governing laws and rules of the association, and to prevent reoccurring violations.

It is vital that board of directors be aware that the association is mandated by law pursuant to §514B-104(a)(11), HRS, to establish a clear fining procedure that states the basis for a fine and allows an appeal to the board. The unit owner has thirty days from notice to contest the fine and demand mediation prior to paying the fine pursuant to §514B-146(g), HRS.

Associations cannot fine an owner without giving the owner an opportunity to contest and appeal the fine.

## Association Foreclosures



Sometimes unit owners fall behind in their required maintenance fees to the association. Nonpayment of maintenance fees may lead to a lien or worse, a foreclosure action. An association legally has the power to foreclose by the judicial or a nonjudicial method regardless of the presence or absence of power of sale language pursuant to §514B-146, HRS.

An association does not have the authority to foreclose on a lien arising solely from fines, penalties, legal fees, or late fees. Associations are also required to apply payments made by or on behalf of a unit owner to their outstanding maintenance fees first unless explicitly instructed otherwise. Only amounts in excess of the maintenance fees can be applied to other amounts the owner may owe pursuant to §514B-105(c), HRS.

Associations, at the time of commencing the foreclosure action, shall serve the unit owner with a statement that the unit owner may request mediation by certified mail within thirty days pursuant to §514B-146.5(a), HRS.

This mediation is mandatory, and the association shall be prohibited from proceeding with the foreclosure action until the association has participated in the mediation or the sixty-day time period from delivery of request for mediation has elapsed.

Should the association and owner not resolve the dispute by mediation, or the mediation has not commenced within sixty-days, the association may proceed with the foreclosure.

Board of directors and owners are strongly encouraged to review the remedies, procedures, and deadlines listed in chapter 667, HRS, that may additionally pertain to unit owner's and association's rights and responsibilities with professional legal counsel to ensure a full understanding of those provisions and how they may interact with chapter 514B, HRS.