

HAWAII LEGISLATIVE
ACTION COMMITTEE


community
ASSOCIATIONS INSTITUTE

P.O. Box 976
Honolulu, Hawaii 96808

February 11, 2026

Honorable Jarrett Keohokalole
Honorable Carol Fukunaga
Committee on Commerce and Consumer Protection
415 South Beretania Street
Honolulu, Hawaii 96813

Re: SB 2765 (Support)

Dear Chair Keohokalole, Vice Chair Fukunaga and Committee
Members:

The Community Associations Institute (CAI) is a national and statewide organization of individuals involved in the operation of community associations, including homeowners, directors, managers and business partners of community associations.

For the following reasons, CAI **supports** SB 2765.

This bill clarifies the current confusion in the Circuit Courts regarding what constitutes "excess rental income" under HRS § 514B-146(n).

This bill upholds the plain language of the statute and the intent of the legislature and prevents large financial institutions from taking excessive amounts of money out of the pockets of non-profit condominium associations - funds that are meant to benefit condominium unit owners.

As explained in the example below, the way that the courts are interpreting the statute rewards banks that delay foreclosure for more than a decade, as they walk away with the property, a money judgment and a windfall from the condominium association.

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Brief Background

For background, HRS § 514B-146(n) applies where a condominium association forecloses on a unit, subject to the bank's superior mortgage. Then later, the bank forecloses.

This happens often, for example, where a unit owner is deceased and has no known heirs. Therefore, both the maintenance fees and the mortgage go unpaid (as in the example below).

Under the plain language of the statute, rental income received by the AOA0 after the bank forecloses (the second foreclosure) is subject to disgorgement, if there is an excess after deductions.

The Circuit Courts' Confusion

The Circuit Courts are confused about at what point in the process the Court should start counting rental income in the "excess rental income" calculation pursuant to HRS § 514B-146(n).

The statute clearly states that it is rental income received after the bank obtains its foreclosure judgment and prior to the confirmation of the bank's foreclosure sale.

For purposes of this subsection, excess rental income shall be any net income received by the association **after a court has issued a final judgment determining the priority of a senior mortgagee** and after paying, crediting, or reimbursing the association or a third party for: [list of deductions]

HRS § 514B-146(n).

However, the Circuit Courts have been counting income received prior to the bank's foreclosure. **In the case cited below, the Circuit Court counted an extra 13 years of income** - raising a slew of constitutional issues, taking \$71,634.48 from the owners and giving it to the multi-billion dollar financial institution.

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Example Case:

An example case is Civil No. 1CC191000316. The following is public record:

- The unit owner passed away in or around 2007.
- The very small, 23-unit non-profit condominium association foreclosed in 2011.
- The bank (which is worth \$304 Billion) did not file its foreclosure until 2019. It did not get its foreclosure judgment until 2024.
- Under the plain wording of the statute, as passed by the legislature, "excess rental income" would not be counted until starting in 2024.
 - However, the Circuit Court counted the AOA's rental income going back to 2011 - an extra 13 years of rental income.
- The court ordered the AOA to pay the Bank \$71,634.48, where at most it should have paid
- **At 23 units, this is over \$3,100 per unit owner that had to be paid to the bank.**
- **Meanwhile, the bank received a complete windfall, including (a) the property, (b) a money judgment and (c) the \$71,634.48.**
- **Furthermore, the bank was rewarded for delaying its foreclosure and doing nothing for 13 years.**

The case is now up on appeal, where it will be for the next five to seven years.

In sum, the way that the Circuit Courts are interpreting the law favors the \$300 Billion banks over the small, non-profit AOA's. The law needs to be clarified, because the Circuit Courts are wreaking havoc on small AOA's and creating needless appellate litigation.

Honorable Jarrett Keohokalole
Honorable Carol Fukunaga
February 11, 2026
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Conclusion

This measure would uphold the plain wording of the statute intended by the legislature, and it would also stop the Circuit Courts from taking money out of the pockets of the small AOA's and handing it to the large financial institutions.

Thank you for your time and consideration. If you have any questions, I will be available to answer them.

Very truly yours,

/s/ Dallas H. Walker

Dallas Walker, Esq.
The Hawaii Legislative
Action Committee of the
Community Associations
Institute

SB-2765

Submitted on: 2/6/2026 1:03:20 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Idor Harris	Testifying for Honolulu Tower	Support	Written Testimony Only

Comments:

Honolulu Tower is a fee simple sprinklered 396 unit condominium located at Maunakea and Beretania Streets. At its meeting on February 2, 2026, the Board of Directors of the Association of Apartment Owners of Honolulu Tower unanimously voted its support of this bill.

This bill clarifies that associations that have obtained title through foreclosure may retain rental income received prior to appointment of a commissioner in subsequent foreclosure provided association may be required by a court to remit rental income received after appointment of a commissioner. The association has in the past obtained title through foreclosure and understands the importance of this bill. When funds are not received, all the owners see increases in their maintenance bills. That is not fair or equitable.

The Board asks you to move this bill forward.

Idor Harris
Resident Manager

SB-2765

Submitted on: 2/7/2026 2:48:55 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Richard Emery	Testifying for Associa	Support	Written Testimony Only

Comments:

SUPPORT.

SB-2765

Submitted on: 2/9/2026 7:12:58 AM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Mark McKellar	Testifying for Law Offices of Mark K. McKellar, LLLC	Support	Written Testimony Only

Comments:

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Member of the Committee:

I STRONGLY support SB 2765 which will address the inequity in the law which treats condominium associations differently from other purchasers at foreclosure auctions. This bill benefit associations and their members. I join in the testimony of Paul Ireland Koftinow.

Sincerely,

Mark McKellar

SB-2765

Submitted on: 2/9/2026 3:01:05 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Rachel Glanstein	Testifying for AOA Lakeview Sands	Support	Written Testimony Only

Comments:

Aloha,

I support SB 2765 which will address the inequity in the law which treats condominium associations differently from other purchasers at foreclosure auctions. That is not fair and certainly the bank lobby shouldn't be stronger than the condo owner lobby, since so many Hawaii residents are condominium owners. This bill benefit associations and their members. I join in the testimony of Paul Ireland Koftinow.

Mahalo,

Rachel Glanstein



Mortgage Bankers Association of Hawaii
P.O. Box 4129, Honolulu, Hawaii 96812

February 9, 2026

The Honorable Jarrett Keohokalole, Chair
The Honorable Carol Fukunaga, Vice Chair
Members of the Senate Committee on Commerce & Consumer Protection

Hearing Date: February 13, 2026
Hearing Time: 9:30 am
Hearing Place: Hawaii State Capitol, Conference Room 229

Re: SB 2765 Relating to Condominiums

I am Victor Brock, representing the Mortgage Bankers Association of Hawaii (“MBAH”). The MBAH is a voluntary organization of individuals involved in the real estate lending industry in Hawaii. Our membership consists of employees of banks, savings institutions, mortgage bankers, mortgage brokers, financial institutions, and companies whose business depends upon the ongoing health of the financial services industry of Hawaii. The members of the MBAH originate and service, or support the origination and servicing, of the vast majority of residential and commercial real estate mortgage loans in Hawaii. When, and if, the MBAH testifies on legislation or rules, it is related only to mortgage lending and servicing.

The MBAH is **OPPOSED TO SB 2765** (the “Bill”).

The Bill clarifies that condominium associations that have obtained title to a unit through foreclosure may retain rental income received prior to the appointment of a commissioner in a subsequent foreclosure; provided that the association may be required by a court to remit rental income received after the appointment of a commissioner.

The Bill would amend Section 514B-146, Hawaii Revised Statutes, which currently requires an association that acquires title to a condominium unit through judicial or nonjudicial foreclosure to turn over rental income from the unit to existing lien holders, in order of priority of each lender’s lien, **for the benefit of the former unit owner** whose unit was foreclosed on by the association.

The Bill would allow the association to retain rental income until a foreclosure commissioner is appointed in a subsequent foreclosure filed by an existing lien holder. The Bill would, in essence, provide the association with a windfall in the form of rental income that would otherwise be paid to an existing lien holder and applied to the existing loan of the borrower whose unit was foreclosed on by the association.

The MBAH strongly opposes the Bill. The Bill's revision of Section 514B-146, Hawaii Revised Statutes is not only harmful to the borrower through the loss of rental income that would otherwise be applied to the outstanding balance of the borrower's loan, but is also inconsistent with the language of the mortgage, which includes a security interest in all rents from the condominium unit subject to the mortgage. The Bill would allow an association to retain rental income in contravention of the superior lien and to the detriment of the borrower.

Thank you for the opportunity to present this testimony.

Victor Brock
Mortgage Bankers Association of Hawaii

Paul A. Ireland Koftinow
4348 Waialae Avenue PMB 292
Honolulu, Hawai'i 96816

February 10, 2026

RE: S.B. 2765 (Relating to Condominiums)
Hearing: February 13, 2026, 9:30 a.m.
Testimony in Support

Dear Senator Jarrett Keohokalole, Chair, Senator Carol Fukunaga, Vice Chair, and Members of the Committee:

Thank you for the opportunity to submit testimony **in strong support of S.B. 2765**, which addresses the treatment of rental income received by condominium associations that acquire title to units through foreclosure. While I support S.B. 2765, Section 2 of the measure should be passed with the following amendments (highlighted below), for the reasons discussed below:

SECTION 2. Section 514B-146, Hawaii Revised Statutes, is amended by amending subsection (n) to read as follows:

"(n) After any judicial or nonjudicial foreclosure proceeding in which the association acquires title to the unit, any ~~[excess]~~ rental income received by the association from the unit ~~[shall]~~ may be ~~[paid to existing lien holders based on the priority of lien, and not on a pro rata basis, and shall be applied to the benefit of the unit owner. For purposes of this subsection, excess rental income shall be any net income received by the association after a court has issued a final judgment determining the priority of a senior mortgagee and after paying, crediting, or reimbursing the association or a third party for:~~

- ~~— (1) The lien for delinquent assessments pursuant to subsections (a) and (b);~~
 - ~~— (2) Any maintenance fee delinquency against the unit;~~
 - ~~— (3) Attorney's fees and other collection costs related to the association's foreclosure of the unit; or~~
 - ~~— (4) Any costs incurred by the association for the rental, repair, maintenance, or rehabilitation of the unit while the association is in possession of the unit including monthly association maintenance fees, management fees, real estate commissions, cleaning and repair expenses for the unit, and general excise taxes paid on rental income;~~
- provided that the lien for delinquent assessments under paragraph (1) shall be paid, credited, or reimbursed first.] used for the benefit of the association; provided that a court may require that rental income received after the appointment of a commissioner in a

subsequent foreclosure **of a lien against the unit shall** be remitted to the court-appointed commissioner **to be held until an order of distribution is entered by the court."**

1. Disparate Treatment of Associations as Property Owners.

In limited but significant circumstances, condominium associations acquire title to units after foreclosing on an association lien and, in order to mitigate ongoing losses, rent those units. In most cases when the association obtains title through foreclosure, there are superior liens on the property and the association holds title "subject to" those superior liens. In these situations, associations are treated differently from every other landlord or foreclosure purchaser in Hawai'i.

Unlike any other owner of rental property, associations are prohibited from retaining all rental proceeds for the benefit of their members. Instead, under existing law, associations are required to turn over any "excess rental income," as defined by statute, to the Commissioner. **No other landlord — private or institutional — is subject to this requirement.**

2. Unintended Consequences of Mortgage Foreclosure Delays.

What the current statute fails to account for is the reality of lengthy and often delayed mortgage foreclosure proceedings. In many cases, associations are forced to proceed with foreclosure before the mortgagee does in order to "stop the bleeding" caused by prolonged nonpayment of assessments.

These delays are entirely outside the association's control. Associations do not choose to act as interim property owners; rather, they are compelled to do so to protect the financial stability of the condominium community. Despite this, current law requires associations to disgorge excess rental income from the time the association took title, for the benefit of a senior lienholder whose own foreclosure was delayed.

As a result, associations that have stepped in to maintain the property, pay insurance premiums, and preserve habitability are unfairly penalized, while senior lienholders benefit from delays for which the association bears no responsibility.

3. Inequity to Associations as Junior Creditors.

Before an owner with a mortgage ever becomes a member of a condominium association, the lender has the opportunity to underwrite the loan, review the borrower's creditworthiness, income, and financial stability, and price risk accordingly.

Associations have no such opportunity. They are nonetheless routinely forced to absorb losses as junior creditors and, under current law, may be required to act as a receiver of funds for a delayed foreclosure of a senior lien, without compensation and without the protections afforded to Court-appointed Commissioners.

While a Court-appointed Commissioner's fees and costs are paid first from the proceeds of a judicial foreclosure sale, the Association's costs and administrative burdens of acting as a receiver will almost never be paid from the proceeds of the sale. This is especially damaging to associations and their members, as associations are forced to defend its rights in the senior lienholder's foreclosure action, especially in a majority of cases where there are no "excess rental proceeds."

This is neither equitable nor consistent with how foreclosure purchasers are otherwise treated under Hawai'i law.

4. Administrative Burdens and Chilling Effects.

The statute has also produced unintended procedural consequences. Associations have been required by Courts to produce detailed memoranda, accounting records, and rental income statements - even in cases where no excess rental income exists. These requirements impose additional legal and administrative costs on associations and, ultimately, on their members.

This outcome unfairly penalizes associations and compliant owners simply for exercising their lawful right to foreclose and mitigate losses, and it discourages associations from taking reasonable steps to protect their communities.

5. Financial Pressures on Condominium Communities.

These issues are particularly acute in the current environment. Associations are facing rising costs to maintain aging condominium projects, escalating insurance premiums, and increasing enforcement expenses. The requirement to disgorge excess rental income — often after bearing all risks and costs of ownership — has done more harm than good and exacerbates financial strain on law-abiding unit owners.

6. Purpose and Benefit of S.B. 2765.

S.B. 2765 offers a fair and balanced solution by ensuring that associations that acquire title through foreclosure may collect and retain rental income received prior to the appointment of a commissioner, while preserving the court's authority to require remittance of rental income after a commissioner is appointed.

This approach:

- Treats associations and their members like any other purchaser at foreclosure;
- Prevents associations from being used as uncompensated custodians of funds for delayed mortgage foreclosures;
- Reduces unnecessary administrative and litigation burdens; and,
- Ensures that the costs of maintaining condominium projects are not unfairly shifted onto compliant owners.

7. **Conclusion.**

S.B. 2765 corrects an inequity that has placed condominium associations and their members at a significant disadvantage, despite their role in preserving Hawai'i's housing stock. It restores fairness, recognizes practical realities, and aligns associations' rights with those of other property owners.

For these reasons, I respectfully urge the Committee to **pass S.B. 2765, with the amendments provided above.**

Thank you for the opportunity to submit testimony on this measure.

Sincerely,

/s/ Paul A. Ireland Koftinow

Paul A. Ireland Koftinow

LATE

SB-2765

Submitted on: 2/12/2026 11:56:26 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Gregory Misakian	Individual	Oppose	Remotely Via Zoom

Comments:

I oppose SB2765, as it completely changes the intent of the original legislation and subverts the rights of others.

Respectfully,

Gregory Misakian

LATE

I spoke on SB 2765 as an individual, to indicate my prior involvement in development of the language presently contained in HRS Section 514B-146(n) regarding "excess rental income." The point of my testimony was that the statutory language was a compromise.

The compromise was plainly intended to signify that "excess rental income" only becomes a consideration "after a court has issued a final judgment determining the priority of a senior mortgagee." What an association may recover prior to that point in time is not relevant to the determination of "excess rental income and should not be considered by a court in determining whether "excess rental income" exists."

(n) After any judicial or nonjudicial foreclosure proceeding in which the association acquires title to the unit, any excess rental income received by the association from the unit shall be paid to existing lien holders based on the priority of lien, and not on a pro rata basis, and shall be applied to the benefit of the unit owner. **For purposes of this subsection, excess rental income shall be any net income received by the association after a court has issued a final judgment determining the priority of a senior mortgagee** and after paying, crediting, or reimbursing the association or a third party for:

- (1) The lien for delinquent assessments pursuant to subsections (a) and (b);
- (2) Any maintenance fee delinquency against the unit;
- (3) Attorney's fees and other collection costs related to the association's foreclosure of the unit; or
- (4) Any costs incurred by the association for the rental, repair, maintenance, or rehabilitation of the unit while the association is in possession of the unit including monthly association maintenance fees, management fees, real estate commissions, cleaning and repair expenses for the unit, and general excise taxes paid on rental income;

provided that the lien for delinquent assessments under paragraph (1) shall be paid, credited, or reimbursed first.

Sincerely,
Philip S. Nerney

SB-2765

Submitted on: 2/5/2026 3:11:40 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Ayson	Individual	Support	Written Testimony Only

Comments:

I support this bill.

SB-2765

Submitted on: 2/6/2026 11:47:03 AM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
lynne matusow	Individual	Support	Written Testimony Only

Comments:

I am an owner occupant of a high rise condominium in Honolulu. I respectfully ask that you support this bill.

Costs are increasing. My maintenance skyrocketed this year because of circumstances beyond our control, including rising insurance costs. Meanwhile, delinquent owners means the rest of us have to cover their fees. This bill would help an association recover funds and reduce the maintenance others have to pay.

Lynne Matusow

SB-2765

Submitted on: 2/6/2026 10:01:05 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Mike Golojuch, Sr.	Individual	Support	Written Testimony Only

Comments:

I support SB2765. Please pass this bill.

Mike Golojuch, Sr

SB-2765

Submitted on: 2/7/2026 2:42:09 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Joe M Taylor	Individual	Support	Written Testimony Only

Comments:

I support SB 2765 which will address the inequity in the law which treats condominium associations differently from other purchasers at foreclosure auctions. This bill benefit associations and their members. I join in the testimony of Paul Ireland Koftinow.

SB-2765

Submitted on: 2/7/2026 4:05:53 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Laurence Chapman	Individual	Support	Written Testimony Only

Comments:

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Member of the Committee:

I support SB 2765 which will address the inequity in the law which treats condominium associations differently from other purchasers at foreclosure auctions. This bill benefit associations and their members. I join in the testimony of Paul Ireland Koftinow.

SB-2765

Submitted on: 2/8/2026 11:30:01 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Steve Glanstein	Individual	Support	Written Testimony Only

Comments:

AAloha,

When large sums of money are owed to the condominium associations from one or more owners, the rest of the owners must shoulder the burden. It is hard enough to obtain rental income to reduce the delinquencies, especially when the association has to renovate a delinquent owner's unit. **In some cases, the bank comes in after renovation, leaving the association out a large sum of money. This i unfair to the great majority of owners who pay their fees on time.**

Therefore, I **support SB 2765** which which will address the inequity in the law which treats condominium associations differently from other purchasers at foreclosure auctions This will benefit associations and their members. I join in the testimony of Paul Ireland Koftinow.

SB-2765

Submitted on: 2/9/2026 10:50:11 AM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Anne Anderson	Individual	Support	Written Testimony Only

Comments:

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Member of the Committee:

I support SB 2765 which will address the inequity in the law which treats condominium associations differently from other purchasers at foreclosure auctions. This bill benefit associations and their members. I join in the testimony of Paul Ireland Koftinow.

Respectfully submitted,

M. Anne Anderson

SB-2765

Submitted on: 2/9/2026 1:09:39 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
John Toalson	Individual	Support	Written Testimony Only

Comments:

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Member of the Committee:

I support SB 2765 which will address the inequity in the law which treats condominium associations differently from other purchasers at foreclosure auctions. This bill benefit associations and their members. I join in the testimony of Paul Ireland Koftinow.

John Toalson

SB-2765

Submitted on: 2/10/2026 6:32:13 AM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Lance S. Fujisaki	Individual	Support	Written Testimony Only

Comments:

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Member of the Committee:

I support SB 2765. This bill will benefit associations and their members. I join in the testimony of Paul Ireland Koftinow.

Thank you,

Lance Fujisaki

Dear Senator Keohokalole, Chair, Senator Fukunaga, Vice Chair, and Member of the Committee:

I support SB 2765 and join in the testimony of Paul Ireland Koftinow.

I have represented condominium owners associations in foreclosure of their liens for unpaid assessments and have witnessed the care and maintenance the associations have performed with respect to the property, to the benefit of the mortgage lender and, therefore, the owner of the property, since the protection of the asset cannot help but result in a higher sale price in a subsequent foreclosure.

Only rarely could the association re-sell the property encumbered by the mortgage but at least the association benefits by taking the lead in terminating the former owner's ownership - and non-payment of assessments – and maintaining the property until it may finally come out of foreclosure status.

For these reasons, I urge the committee to pass SBB 2765.

SB-2765

Submitted on: 2/10/2026 9:06:15 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jessica Herzog	Individual	Support	Written Testimony Only

Comments:

Testimony in Strong Support – S.B. 2765

Aloha Chair and Members of the Committee,

I strongly support S.B. 2765 because it protects paying condominium owners from absorbing losses that should not be shifted onto them.

When an association forecloses on a delinquent unit, it does so to protect the financial stability of the entire building. The association assumes risk, administrative burden, repair costs, taxes, and management responsibility. Rental income collected during that period is not profit. It is mitigation of loss.

Under the current framework, associations can be required to turn over rental income to senior lienholders, even when the association has carried the financial and operational burden. This creates an inequitable windfall for lenders while the paying owners, who fund the association, bear the risk.

My association personally suffered significant losses under the existing law. Paying owners should not be forced to subsidize delinquent units and then watch recovery funds redirected to financial institutions that did not carry the interim burden.

S.B. 2765 restores fairness by allowing associations to retain rental income received prior to the appointment of a commissioner in a subsequent foreclosure. Courts still retain authority after that point, preserving balance.

This bill does not create a windfall for associations. It prevents one for lenders.

Condominium associations are not speculative investors. They are communities of homeowners trying to maintain essential housing infrastructure. Protecting rental income during the period when the association is stabilizing a distressed unit protects paying owners and promotes financial sustainability.

I respectfully urge passage of S.B. 2765.

Mahalo for your consideration.

Jessica Herzog
Condo Owner, Waianae
aloha@localparliamentarian.com

SB-2765

Submitted on: 2/10/2026 9:27:43 PM

Testimony for CPN on 2/13/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeff Sadino	Individual	Oppose	Written Testimony Only

Comments:

Committee on Commerce and Consumer Protection

SB 2765 – Foreclosure Income

Friday, February 13, 2026 @ 9:30 AM

My name is Jeff Sadino and I **OPPOSE** this Bill.

While I am not educated on the nuances of non-judicial foreclosures, it seems like a step backwards to remove the order of application for payments of rental income.

Specifically, I oppose the removal of the text requiring that the rental income “shall be applied to the benefit of the unit owner,” which would likely mean the payment of past-due maintenance fees, which the Association would then apply “for the benefit of the association.” This Bill arrives at the same end goal as the current status quo, but it removes protections to the Owner for no apparent reason.

My opinion, which is probably shared amongst condo Owners, is that the non-judicial foreclosure process is an awesome power. With this awesome power should come equivalent owner protections. Unfortunately, this Bill does the opposite of that.

Wishlist:

If the title was transferred to the Association through a non-judicial foreclosure, a condo owner should be able to reclaim title to their property if all unpaid debts (unpaid fees, association renovation costs, association administration costs, etc.) are paid in full within 6 months.

Thank you for your work and interest in these issues,

Jeff Sadino

JSadino@gmail.com