



# Hawai'i Home Advocates

*"Understanding Makes All the Difference."™*

## HOA LIEN FORECLOSURE

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# What You Need to Know

A plain-English guide for Hawai'i homeowners facing an HOA lien or foreclosure.

*"Understanding Makes All the Difference."™*

### ONE MISSION · THREE GOALS

One Mission: To educate homeowners.

Three Goals: To help Hawai'i homeowners —

1. Understand their situation,
2. Learn their rights and options, and
3. Navigate toward the best possible outcome.

Everything here is free. Nothing is required.

And every path leads to your best interest.

Barbara Coote | Retired Lt. Colonel, U.S. Army  
Licensed Hawai'i REALTOR® & Real Estate Investor  
808-781-6951 | [barbara@hawaiihomeadvocates.com](mailto:barbara@hawaiihomeadvocates.com)  
[hawaiihomeadvocates.com](http://hawaiihomeadvocates.com)

UNDERSTANDING HOA LIENS IN HAWAII

# This Can Happen Even If You're Current on Your Mortgage

Hawaii has one of the strongest HOA (Homeowners Association) lien laws in the country. Unpaid association dues — including condo association fees — can result in a lien that supersedes your mortgage in priority. This means your HOA can initiate foreclosure even if you're current on your mortgage. This is especially critical for Hawaii condo owners.

■ Under HRS (Hawaii Revised Statutes) §514B, HOA liens in Hawaii condominiums have super-lien priority — they can foreclose ahead of your first mortgage.

## HOA Lien Timeline

| Stage                      | What Happens   | Your Window       |
|----------------------------|--|-------------------|
| Stage 1 Dues Past Due      | Late fees begin accumulating. HOA may restrict access to amenities.        | Act immediately   |
| Stage 2 Lien Filed         | HOA records lien against your property. Clouds title — can't sell or refi. | Negotiate now     |
| Stage 3 Foreclosure Notice | HOA can foreclose independently — even ahead of your mortgage lender.      | Options narrowing |
| Stage 4 Auction            | Property sold to satisfy lien. No right of redemption in Hawaii.           | Options gone      |

■ HOA foreclosures in Hawaii can move **faster than mortgage foreclosures** and can proceed even if you are current on your mortgage. Do not ignore HOA foreclosure notices — act immediately.

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## YOUR OPTIONS

# Act Early — Options Narrow Quickly

Although HOA foreclosure can shorten your timeline and limit your options, practical solutions often still exist. The key is acting before foreclosure is filed.

## Negotiate a Payment Plan with the HOA ★ Best First Step

- ✓ Many HOAs will negotiate a payment plan or reduced lump-sum settlement
- ✓ Hawaii law requires HOAs to consider reasonable payment plans
- ✓ Especially effective before foreclosure has been formally filed
- Submit your offer in writing and keep a copy of all correspondence
- Interest and attorney fees may continue accruing during negotiation

## Notify Your Mortgage Lender

- ✓ Your lender has a financial interest in preventing HOA super-lien foreclosure
- ✓ Lender may intervene and pay the lien to protect their security interest
- Contact your lender's loss mitigation or escrow department

## Dispute the Lien (If Errors Exist)

- ✓ If HOA miscalculated fees or violated notice procedures, lien may be challenged
- ✓ Under Hawaii law, liens from fines/penalties only cannot be foreclosed non-judicially
- Pay the disputed amount first — HRS §514B-146 requires payment before mediation
- Requires a real property attorney — costs involved
- Only viable if actual HOA errors exist

## List on the Open Market

- ✓ HOA lien is paid off at closing from sale proceeds — no upfront cash needed
- ✓ Best way to maximize proceeds and fully resolve the lien
- Requires time — if foreclosure is imminent, timeline may be very tight

## Direct Cash Sale ★ Fastest Resolution

- ✓ HOA lien paid off in full at closing from proceeds — no upfront cash required
- ✓ Can close in 10–21 days — stops HOA foreclosure clock
- ✓ No repairs, no showings, no commissions
- Price typically below full market value — weigh against speed and certainty

## YOUR ACTION PLAN

## HOA Lien — What to Do Right Now

- 1 Get the full lien amount in writing from your HOA immediately.**

Request an itemized breakdown — assessments, interest, late fees, attorney fees. The breakdown matters because Hawaii law treats each type differently.
- 2 Check whether the lien is for assessments or fines and penalties.**

Under Hawaii law, liens arising solely from fines, penalties, or late fees cannot be foreclosed non-judicially — they must go through court. This may give you more time.
- 3 Submit a written payment plan proposal to the HOA board.**

Hawaii law requires HOAs to consider reasonable payment plans. Put your offer in writing and keep a copy.
- 4 If you dispute the amount — pay it first, then dispute.**

Hawaii law (HRS §514B-146) requires you to pay the full disputed amount before demanding mediation. Do not withhold payment as leverage.
- 5 Contact a real property attorney for a free consultation.**

HOA super-lien law is complex. An attorney can review whether the HOA followed proper procedures — errors in notice or process can be a valid defense.
- 6 Notify your mortgage lender.**

Your lender has a financial interest in preventing an HOA super-lien foreclosure. They may intervene and pay the lien to protect their security interest.
- ! Do not ignore HOA foreclosure notices.**

HOA foreclosures in Hawaii can move faster than mortgage foreclosures and can proceed even if you are current on your mortgage.
- 7 Contact Barbara.**

I can tell you honestly what the lien payoff means for your net proceeds and whether selling is a viable path to resolving the situation quickly. 808-781-6951

### Documents to Gather First

- |                         |                           |
|-------------------------|---------------------------|
| ■ HOA lien notice       | ■ Itemized lien breakdown |
| ■ HOA CC&Rs; and bylaws | ■ All HOA correspondence  |
| ■ Mortgage statement    | ■ Title/deed documents    |

## FREE RESOURCES

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*About free legal help in Hawai'i: Free legal representation for housing matters is very limited. Most free resources provide information or referrals, not an attorney who will represent you.*

### **Hawai'i HomeOwnership Center (HHOC)**

HUD-approved nonprofit — free counseling on HOA disputes and housing options.  
808-523-9500 | [hihomeownership.org](http://hihomeownership.org)

### **DCCA — Office of Consumer Protection**

File complaints against predatory lenders or fraudulent contractors.  
808-587-2712 | [cca.hawaii.gov/ocp](http://cca.hawaii.gov/ocp)

### **Volunteer Legal Services Hawai'i**

Free civil legal help for qualifying low-income residents — housing, landlord-tenant, bankruptcy, and more. Apply online or call for intake.  
808-528-7046 (O'ahu) | 1-800-839-5200 (Neighbor Islands) | [vlsh.org](http://vlsh.org)

### **Hawai'i State Bar — Lawyer Referral Service**

Get matched with a licensed Hawai'i attorney. Many offer a free or reduced-fee first consultation. Available Mon–Fri 8:30 a.m.–4:30 p.m.  
808-537-9140 | [hawaiilawyerreferral.com](http://hawaiilawyerreferral.com)

### **Legal Aid Society of Hawai'i — Elder Law Services Only (age 60+)**

Confirmed services: Advance Health Care Directive, Power of Attorney, and Simple Wills for residents 60+. Does not cover HOA liens or housing disputes.  
808-536-4302 | [legalaidhawaii.org](http://legalaidhawaii.org)



## **Barbara Coote**

Retired Lt. Colonel, U.S. Army  
Licensed Hawai'i REALTOR® RS-81245  
Military Relocation Professional (MRP)

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*"When God closes a door, He opens a window."*

I want to be that window for you.

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*"Informed Decisions are the Best Decisions."*<sup>TM</sup>

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barbara@hawaiihomeadvocates.com

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Free. No sign-up. No obligation. Ever.