

INSTRUCTIONS - CONDOMINIUM MANAGING AGENT REGISTRATION

Access this form via website at: www.hawaii.gov/hirec

WHO MUST REGISTER? Any entity authorized to do business as a Trust Company under Article 8 of Chapter 412, HRS, that is employed or retained by one or more condominium projects for the purposes of managing the operation of property through the association of apartment/unit owners, under Hawaii Revised Statutes (HRS) Chapter 514A and 514B.

The registration and fidelity bond requirements do not apply to condominium managing agents who are licensed active real estate brokers and who manage the operation of the property.

LICENSE REQUIREMENT Prior to registering as a condominium managing agent, applicant shall be an entity authorized to do business under Article 8 of Chapter 412 (trust companies).

APPLICATION FORM Trust companies shall complete the attached application form (*CMA-01*). All registrations expire on December 31 of an even-numbered year, regardless of when the approval was issued.

1. List all condominium projects managed by the Trust Company through the association of apartment owners.
2. Pay the correct fees.

FEES Make checks payable to "COMMERCE AND CONSUMER AFFAIRS":

If registration will be issued in an **odd-numbered** year, pay \$220
(Application fee (non-refundable) \$50 + Registration fee \$100 + Compliance Resolution Fund \$70)

If registration will be issued in an **even-numbered** year, pay \$135
(Application fee (non-refundable) \$50 + Registration fee \$50 + Compliance Resolution Fund \$35)

NOTE: One of the numerous legal requirements that you must meet in order for your new registration to be issued is the payment of fees as set forth in this application. You may be sent a registration certificate before the payment you sent us for your required fees is honored by your bank. If your payment is dishonored, you will have failed to pay the required registration fee and your registration will not be valid, and you **may not** do business under that registration. Also, a \$25.00 service charge shall be assessed for payments that are dishonored for any reason.

If for any reason you are denied the registration you are applying for, you may be entitled to a hearing as provided by Title 16, Chapter 201, Hawaii Administrative Rules, and/or Chapter 91, Hawaii Revised Statutes. Your written request for a hearing must be directed to the agency that denied your application, and must be made within 60 days of notification that your application for registration has been denied.

BOND REQUIREMENT Condominium managing agents are required to obtain and keep current a fidelity bond which shall cover all persons handling condominium association funds for the condominium managing agent. (**NOTE:** This requirement does not apply to licensed active real estate brokers.)

Bond Amount: To calculate the amount of coverage needed, multiply the aggregate number of apartments in all condominium associations managed, by \$500. The minimum bond amount shall be \$20,000, regardless of the number of apartments being managed, and the maximum is \$500,000. The deductible shall not exceed the greater of \$2,000 or 5% of the face amount of the bond. In no case shall the deductible be greater than \$5,000.

HRS §514B-132(a)(3) requires the condominium managing agent to obtain and keep current a fidelity or employee dishonesty bond or a certification statement (CSI-01 form enclosed in packet) which is issued by a company currently authorized by the insurance commissioner of Hawaii to issue insurance in this State, in compliance with the statute and any related rules, which:

1. Names the condominium managing agent as the certificate holder;
2. States that the bond is a fidelity or employee dishonesty bond;
3. States the amount of the deductible or that no deductible applies to the bond. The amount of any deductible may not exceed \$2,000 or 5% of the face value of the bond. The deductible may not be greater than \$5,000;

**BOND REQUIREMENT
(Cont.)**

4. Names the condominium managing agent only as the insured and excludes any other person, trade name, business name or entity as the named insured;
5. States that the policy covers the condominium managing agent against fraudulent or dishonest acts by the employees of the managing agent;
6. Includes an expiration date or a statement that the bond is continuous; and
7. Specifies whether the bond is a blanket or name schedule type, and if a name schedule type, lists all persons covered.

Upon request by the commission the managing agent shall provide evidence of a current fidelity bond or a certification statement.

A fidelity bond must be maintained throughout registration. If at any time the bond expires, is canceled or terminated for any reason, or the registrant fails to provide evidence of continuous bond coverage, the condominium managing agent registration shall be automatically terminated without notice to the condominium managing agent. An unregistered managing agent is without authorization to engage in condominium managing agent activity. Once unregistered, you will be required to complete new registration application requirements in order to obtain registration.

MAILING ADDRESS

Mail or deliver the completed registration application, together with the appropriate attachments and the proper fees to:

*CONDOMINIUM MANAGING AGENT
DCCA, PVL Licensing Branch
P.O. Box 3469
Honolulu, HI 96801*

Deliver to office location at:

*or 335 Merchant Street, Room 301
Honolulu, HI 96813*

Forms: (808) 586-3000
Questions: (808) 586-2643

REVIEW

Incomplete applications or applications submitted without the required documents will not be accepted.

LAWS AND RULES

A copy of the real estate broker law and rules, HRS Chapter 467 and HAR Chapter 99, plus the law and rules for condominium managing agents, HRS Chapter 514A, 514B, and HAR Chapter 107, may be obtained by submitting a written request to the above address. Chapter 436B, Hawaii Revised Statutes, the Professional and Vocational Licensing Act should be read in conjunction with the above statutes. The laws and rules are also posted on our website at: www.hawaii.gov/hirec.

**BIENNIAL
REREGISTRATION**

Registrations expire on December 31 of each even-numbered year, and completed re-registration applications must be submitted on or before November 30 of each even-numbered year. Re-registration is subject to submitting current fees. It is the condominium managing agent's responsibility to re-register, with or without notice. It is the condominium managing agent's responsibility to provide written notice to the Commission of any changes to the information contained on the registration application forms and documents within ten (10) days of any change.

Application for Registration - CONDOMINIUM MANAGING AGENT

Name of Applicant

Business Address in Hawaii (Include suite no., city, state and zip code. Address must be either the principal place of business or a registered branch office):

Mailing Address, ONLY if different from business address:

Telephone No.

<i>Approved/date:</i>	<i>Notice mailed on:</i>
<i>REGISTRATION NO.</i> CMA -	<i>Effective date:</i>
<i>ASSIGNED NO. A</i>	

FOR OFFICE USE ONLY

Condominium Project Name and Address (If more space needed, attach separate sheet)	CPR Number	No. of Apartments in each Project
TOTAL CONDOMINIUM APARTMENTS MANAGED		

Affidavit of Applicant:

I understand that it is my responsibility to read the instruction sheet thoroughly. I certify that this application is complete as required, and is accompanied by the required documents and fees, or this application will be considered incomplete. I certify that any changes to the application information or proof of fidelity bond coverage shall be reported to the Real Estate Commission, in writing, within ten (10) days of the date of the change.

I certify that the information provided in this application is true and correct and that there are no material omissions. I understand that any misrepresentation of information is grounds for the denial of this application, or license revocation, suspension or the imposition of a fine (HRS §467-14 and 436B-19), or may constitute a misdemeanor (HRS §710-1017).

I certify that the applicant maintains a client trust account in compliance with HRS Chapter 467 and its rules.

I certify that the applicant maintains fidelity bond coverage in compliance with HRS §514B-132(a)(3), that upon request of the Real Estate Commission, it is my responsibility to provide evidence of a current fidelity bond. I also understand that the Commission shall terminate the registration for failure to provide such evidence, and that notice will not be given.

_____ Date

_____ Signature of CMA Principal with Direct Management

_____ Print Name of Principal Broker

This material can be made available for individuals with special needs. Please call the Licensing Branch Manager at (808) 586-3000, to submit your request.

Appl	580	\$50
Reg	592	\$50/100
CRF	583	\$35/70
Service Charge	BCF	\$25

CERTIFICATION STATEMENT OF INSURANCE (CSI)

Check ONE type only:

- Condominium Hotel Operator (CHO)
- Condominium Managing Agent (CMA)
- Condominium Association of Apartment Owners (AOAO)

Policy Number: _____

Name of Insured: _____

Policy Period: From: _____ To: _____

Insurance Company: _____

1. The undersigned insurance company representative certifies that the above referenced insurance policy complies with the requirements found in Hawaii Revised Statutes §467-30 for Condominium Hotel Operators, or Hawaii Revised Statutes §514B-132(a)(3) for Condominium Managing Agents, or Hawaii Revised Statutes §514B-143(a)(3)(A) for Condominium Association of Apartment Owners, AND Hawaii Administrative Rules Chapter 99 or 107, as applicable.

2. The undersigned further certifies that the Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division, Real Estate Branch will be provided written notification at least thirty calendar days prior to policy cancellation, termination, or a material change to the information provided on this Certification Statement of Insurance.*

Date

By: _____

Signature of Authorized Insurance Representative
(Original signature or stamp preferred, however facsimile or photocopied signatures are accepted.)

Print **Name** of Authorized Insurance Representative

Print **Company Name** of Insurance Producer

Print **Address** of Insurance Producer

Print **Phone Number** of Insurance Producer

*** Submit written notification of cancellation, termination, or material change in CSI information to:**

DCCA - P&VLD
Real Estate Commission
335 Merchant Street, Room 333
Honolulu, HI 96813

(SEE REVERSE SIDE FOR SPECIFIC FIDELITY BOND REQUIREMENTS)

FIDELITY BOND REQUIREMENTS

General Requirements: **1)** Insurance company is authorized in Hawaii by the Insurance Division of the Department of Commerce & Consumer Affairs (DCCA); **2)** "Certificate holder" is the applicant; **3)** Provide DCCA with written notification at least 30 calendar days prior to policy cancellation, termination, or material change to CSI; **4)** Provide coverage for either CHO, CMA or AOA activity only; **5)** Name the CHO, CMA or AOA only as the named insured, excluding any other person, trade name, or business entity; **6)** Specify that bond is a fidelity, employee dishonesty, or commercial crime bond, and whether bond is a blanket or name schedule type; **7)** Specify an expiration date or that bond is continuous; **8)** Specify whether bond contains a deductible provision or that no deductible applies; **9)** Provide other information as requested by the Commission; **10)** Deductible amount shall not exceed the greater of \$2,000 or five percent of the bond with \$5,000 as maximum deductible allowed; **11)** If bond is a name schedule type, provide the name schedule listing all persons handling or having control of funds received by the CHO, CMA or AOA, and provide notice to the DCCA of any changes to the name schedule on an amended name schedule within 10 calendar days of the change; **12)** Bond shall not contain a criminal conviction endorsement or rider which requires as a condition precedent to recovery, the prosecution or conviction of the employee; **13)** A fidelity bond exemption application may be approved by the Commission, however, interested applicants must first contact a condominium clerk at 586-2643 to request a CHO, CMA or AOA bond exemption application form. No fidelity bond exemption shall be granted to a CHO having a real estate broker exemption (HRS §467-30(b)(2)). If the bond exemption application is denied by the Commission, a current fidelity bond must be obtained; **14)** New registration application processing will cease and existing registration will automatically terminate if the CHO, CMA or AOA lacks an approved bond exemption AND fails to obtain current fidelity bonding as required by HRS Chapters 467 and 514B and HAR Chapters 99 and 107, as applicable.

Condominium Hotel Operators (CHOs): Bond amount: \$500 x number of apartments (excluding apartments owned by CHO as either a sole proprietor, partnership, corporation, LLC, LLP, or apartments in a registered time share plan managed by a registered time share plan manager), provided that the minimum bond shall not be less than \$20,000 nor greater than \$100,000 (HRS §467-30(b)(2)). Deductible shall not exceed the greater of \$2,000 or 5% of the face amount of the bond, and in no case shall deductible exceed \$5,000 (HAR §16-99-148(c)). **Required coverage:** Bond covers all the CHO's employees handling or having custody and control of either the CHO's or the apartment owner's funds, or both (HRS §476-30(b)(2)). Protects the CHO against fraudulent or dishonest acts by the employees of the CHO (HRS §467-30(d)). All persons handling or having custody and control of either the CHO's or the apartment owner's funds shall either be employees of the CHO or principals of the CHO (HRS §467-30(i)).

Condominium Managing Agents (CMAs): Bond Amount: \$500 x number of condominium apartments managed by the CMA, provided that the bond shall not be less than \$20,000 nor greater than \$500,000 (HRS §514B-132(a)(3)). **Required Coverage:** Bond shall protect the CMA against the loss of any AOA's moneys, securities or other properties caused by the fraudulent or dishonest acts of employees of the CMA (HRS §514B-132(a)(3)). The CMA shall permit only employees covered by the fidelity bond to handle or have custody or control of any AOA funds, except any principals of the CMA that cannot be covered by the fidelity bond (HRS §514B-132(a)(3)).

Condominium Association of Apartment Owners (AOAOs): Bond Amount: \$500 x number of apartments, provided that the bond shall not be less than \$20,000 nor greater than \$200,000 (HRS §514B-143(a)(3)). **Required Coverage:** Bond covers all officers, directors, employees, and managing agents of the AOAO who handle, control, or have custody of the AOAO funds, and shall protect the AOAO against fraudulent or dishonest acts by persons, including any managing agent, handling the AOAO funds (HRS §514B-143(a)(3)).