



UNDERWRITING BULLETIN

To: All Florida Agents of WFG National Title Insurance Company

From: WFG Florida Agency Department

Date: June 16, 2014

Bulletin No.: FL 2014-9

Re: **HB 7037 – Community Association Management
Two Witnesses Required on Condo Lien Releases**

[HB 7037](#) was designed to clarify the roles which may be played by community managers on behalf of Condominium and Home Owners Associations. Among other things, the bill allows community managers to complete statutory forms and handle some of the collection functions traditionally delegated to legal counsel. The bill sets a standard of care requiring community managers to discharge duties on behalf of the association loyally, skillfully, and diligently; dealing honestly and fairly; in good faith; with care and full disclosure to the community. The very next paragraph allows the managers to contract for the association to indemnify the manager for their own ordinary negligence.

Only one concept in this bill impacts title insurance or closing practices. The general rule in Florida is that an instrument creating a lien on real property does NOT require two witnesses, nor does a release of that lien. See §689.01.

However, this bill creates a form of release of lien, applicable to condominiums, cooperatives and home owners associations which **does require two witnesses**, and then requires that a release of lien be in “substantially” that form. New §§718.116(5)(d), 719.108(4)(d) and 720.3085(1)(d).

This bill has been signed into law by Governor Scott and will take effect July 1, 2014 (Laws of Florida 2014-146). After that date, any release of a recorded Condominium, HOA or Co-Op lien must include two witnesses.

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