
A BILL FOR AN ACT

RELATING TO MORTGAGE FORECLOSURES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 667, Hawaii Revised Statutes, is
2 amended by adding a new section to part I to be appropriately
3 designated and to read as follows:

4 "§667- Public sale. At any public sale pursuant to
5 section 667-5, the successful bidder at the public sale, as the
6 purchaser, shall not be required to make a down payment to the
7 foreclosing mortgagee of more than ten per cent of the highest
8 successful bid price."

9 SECTION 2. Section 667-5.5, Hawaii Revised Statutes, is
10 amended to read as follows:

11 **§667-5.5 Foreclosure notice.** Notwithstanding any law or
12 agreement to the contrary, any person who forecloses on a
13 property within a planned community association, a condominium
14 apartment, or an apartment in a cooperative housing project
15 shall notify, by way of registered or certified mail, the board
16 of directors of the planned community association, the
17 association of apartment owners of the condominium, or [~~the~~
18 ~~board of directors of~~] the cooperative housing project in which

1 the [~~apartment~~] property to be foreclosed is located, of the
2 foreclosure at the time foreclosure proceedings are begun. The
3 notice, at a minimum, shall identify the property, condominium
4 apartment, or cooperative apartment which is the subject of the
5 foreclosure and identify the name or names of the person or
6 persons bringing foreclosure proceedings. This section shall
7 not apply when the planned community association, condominium
8 association, or cooperative housing corporation is a party in a
9 foreclosure action. This section shall not affect civil
10 proceedings against parties other than the planned community
11 association, association of apartment owners, or cooperative
12 housing corporation."

13 SECTION 3. This Act does not affect rights and duties that
14 matured, penalties that were incurred, and proceedings that were
15 begun, before its effective date.

16 SECTION 4. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 5. This Act shall take effect on September 1,
19 2006.



Report Title:
Mortgage Foreclosures

Description:
Limits down payment in event of power of sale foreclosure auction to not more than 10 percent of successful bid. Adds planned community associations to the list of entities that receive notice of power of sale foreclosures. (SD1)

