

Honolulu, Hawaii

March 2, 2006

RE: H.B. No. 1796

H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1796 entitled:

"A BILL FOR AN ACT RELATING TO NOTICE,"

begs leave to report as follows:

The purpose of this bill is to afford persons living in counties other than Honolulu, adequate notice of a mortgage foreclosure on property located in the county, by requiring that the notice be given in a newspaper published in the county.

The Hawaii Association of Realtors supported this bill. The Mortgage Bankers Association of Hawaii opposed this measure. The Hawaii Financial Services Association commented on this bill.

Your Committee finds that foreclosure by power of sale law currently requires notice of foreclosure to be published in the county in which the property is located, in a newspaper having general circulation in the county. This allows notice for counties other than Honolulu to be published in newspapers with a statewide circulation. However, in some cases, residents of these counties only subscribe to the smaller, local papers. As a result, the law does not ensure that these individuals receive notice of the foreclosure of a property in their county. This bill attempts to address this problem.

Your Committee has amended this bill so that it will better achieve its purpose, by requiring that:

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- (1) In Honolulu, notice of foreclosure is to be given three times in a newspaper having general circulation on Oahu; and
- (2) In counties other than Honolulu, at least two of the three required notices are to be given in a newspaper published in, and having the largest general circulation in the county.

Technical, nonsubstantive amendments were also made for clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1796, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1796, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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ROBERT N. HERKES, Chair



