

STAND. COM. REP. NO. 1693

Honolulu, Hawaii

Aug 3, 2007

RE: H.C.R. No. 77  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and  
Legislative Management, to which was referred H.C.R. No. 77  
entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO  
CONDUCT A STUDY ON PREDATORY MORTGAGE LENDING IN HAWAII,"

beg leave to report as follows:

The purpose of this concurrent resolution is to request the  
Auditor to conduct a study on predatory mortgage lending in  
Hawaii.

The Department of Commerce and Consumer Affairs, Legal Aid  
Society of Hawaii, Hawaii Alliance for Community-Based Economic  
Development, Hawaii Association of REALTORS, and a concerned  
individual testified in support of this measure. The Hawaii  
Association of Mortgage Brokers, Hawaii Bankers Association, and  
Hawaii Financial Services Association opposed this measure. The  
Mortgage Bankers Association of Hawaii submitted comments.

Your Committees note that predatory lending has more to do  
with bad lending practices rather than bad mortgage loan products.  
In many situations, the mortgage products are beneficial to the  
consumer when applied to the right circumstances. On the other  
hand, providing these same products inappropriately would be  
considered predatory lending.

HCR77 HD1 HSCR CPC-LMG HMS 2007-3474



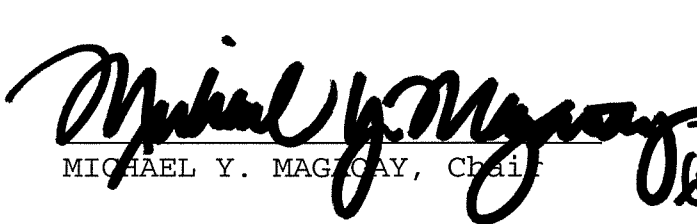
Accordingly, your Committees have amended this measure by:

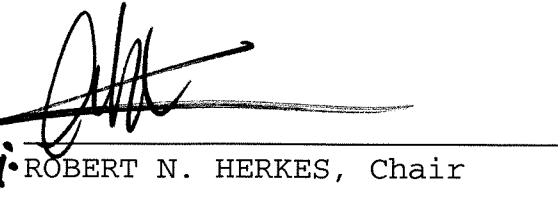
- (1) Adding discussion emphasizing that predatory lending is caused by the inappropriate use of mortgage loan products, rather than the products themselves; and
- (2) Specifying that the Auditor's study should address the acts and practices of mortgage brokers.

Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 77, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 77, H.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committees on Consumer  
Protection & Commerce and  
Legislative Management,

  
MICHAEL Y. MAGNOY, Chair

  
ROBERT N. HERKES, Chair





