
A BILL FOR AN ACT

RELATING TO REAL PROPERTY.

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

1 SECTION 1. The legislature finds that homeowners who are
2 in default on their mortgages or in foreclosure may be
3 vulnerable to fraud, deception, and unfair dealing by home
4 equity purchasers. The recent rapid escalation of home values
5 throughout urban and rural areas has resulted in a significant
6 increase in home equity, which constitutes the greatest
7 financial asset held by many homeowners of this State. During
8 the time period between the default on the mortgage and the
9 scheduled foreclosure sale date homeowners in financial
10 distress, especially poor, elderly, and financially
11 unsophisticated homeowners, are vulnerable to aggressive "equity
12 purchasers" who induce homeowners to sell their homes for a
13 small fraction of their fair market values, or in some cases
14 even sign away their homes, through the use of schemes that
15 often involve oral and written misrepresentations, deceit,
16 intimidation, and other unreasonable and unconscionable
17 practices.

18 The purpose of this Act is to provide:



1 (1) A homeowner with information necessary to make an
2 informed and intelligent decision regarding the sale
3 or transfer of the homeowner's equity to an equity
4 purchaser;

5 (2) That any sales agreement be expressed in writing, to
6 safeguard equity sellers against deceit and financial
7 hardship;

8 (3) For fair dealing in the sale and purchase of homes in
9 foreclosure or default; and

10 (4) For a cooling off period for equity sellers who enter
11 into covered contracts, allowing equity sellers a
12 reasonable and meaningful opportunity to rescind sales
13 to equity purchasers.

14 SECTION 2. The Hawaii Revised Statutes is amended by
15 adding a new chapter to be appropriately designated and to read
16 as follows:

17 **"CHAPTER**

18 **HOME EQUITY THEFT PREVENTION**

19 **§ -1 Definitions.** As used in this chapter:

20 " bona fide purchaser or encumbrancer for value" means
21 anyone acting in good faith who purchases the residential real
22 property from the equity purchaser for valuable consideration or



1 provides the equity purchaser with a mortgage or provides a
2 subsequent bona fide purchaser with a mortgage, provided that
3 the bona fide purchaser or encumbrancer for value had no notice
4 of the equity seller's continuing right to, or equity in, the
5 property prior to the acquisition of title or encumbrance, or of
6 any violation of this chapter by the equity purchaser as related
7 to the subject property.

8 "Business day" means any calendar day except Sundays, any
9 federal holiday, or any state holiday as set forth in section
10 8-1.

11 "Covered contract":

12 (1) Means any contract, agreement, or arrangement, or any
13 term thereof, between an equity purchaser and equity
14 seller that:

15 (A) Is incident to the sale of a residence in
16 foreclosure; or

17 (B) Is incident to the sale of a residence in
18 foreclosure or default,

19 where the contract, agreement or arrangement includes
20 a reconveyance arrangement.

21 (2) Any reference to the "sale" of a residence by an
22 equity seller to an equity purchaser shall include:



1 (A) A transaction where an equity seller receives
2 consideration from the equity purchaser; or

3 (B) A transaction involving a transfer of title to
4 the equity purchaser where no consideration is
5 provided to the equity seller.

6 "Default" means that the equity seller is two months or
7 more behind in the equity seller's mortgage payments.

8 "Equity purchaser" means any person who acquires title to
9 any residence in foreclosure or default, or a representative, as
10 defined in this section, except a person who acquires the title
11 as follows:

12 (1) To use, and who uses, the property as a primary
13 residence;

14 (2) By a deed from a commissioner in a foreclosure sale
15 conducted pursuant to chapter 667;

16 (3) At any sale of property authorized by statute;

17 (4) By order or judgment of any court;

18 (5) From a spouse, or from a parent, grandparent, child,
19 grandchild or sibling of the person or the person's
20 spouse;

21 (6) As a not-for-profit housing organization or as a
22 public housing agency; or



1 (7) A bona fide purchaser or encumbrancer for value.

2 "Equity seller" means a natural person who is a property
3 owner or homeowner at the time of the equity sale.

4 "Foreclosure" means that there is an active action
5 commenced pursuant to any of the provisions of chapter 667
6 against the subject property, or the subject property is on an
7 active property tax lien sale list.

8 "Property owner" or "homeowner" means any or all record
9 title owners of the residential real property in foreclosure or
10 default at the time of the equity sale.

11 "Reconveyance arrangement" means:

12 (1) The transfer of title to residential real property by
13 an equity seller who is in default or foreclosure,
14 either by transfer of interest from an equity seller
15 to an equity purchaser or by creation of a mortgage or
16 other lien or encumbrance during the time of default
17 or foreclosure that allows the equity purchaser to
18 obtain legal or equitable title to all or part of the
19 property, and

20 (2) The subsequent conveyance, or promise of a subsequent
21 conveyance, of an interest back to the equity seller
22 by the equity purchaser that allows the equity seller



1 to regain possession of the property, which interest
2 shall include but not be limited to a purchase
3 agreement, option to purchase, or lease.

4 "Representative" means a person who in any manner solicits,
5 induces, arranges, or causes any equity seller to transfer title
6 or solicits any member of the equity seller's family or
7 household to induce or cause any equity seller to transfer title
8 to the residence in foreclosure or default to the equity
9 purchaser.

10 "Residence" and "residential real property" means
11 residential real property consisting of one to four-family
12 dwelling units, one of which the equity seller occupies or
13 occupied at a time immediately prior to the equity sale as the
14 equity seller's primary residence.

15 § -2 **Document format.** Every covered contract and notice
16 of cancellation attached thereto shall be written in letters of
17 a size equal to at least twelve-point bold type, in English or
18 in both English and another language if the other language is
19 the primary language of the equity seller, and shall be fully
20 completed and signed and dated by the equity seller and equity
21 purchaser. Any instrument of conveyance shall become effective



1 no sooner than midnight of the fifth business day after the date
2 on which the covered contract is executed.

3 § -3 **Contract contents.** All covered contracts shall
4 contain the entire agreement of the parties and shall include
5 but not be limited to the following terms:

- 6 (1) The name, business address, and the telephone number
7 of the equity purchaser;
- 8 (2) The address of the residence in foreclosure or
9 default;
- 10 (3) The total consideration to be given by the equity
11 purchaser in connection with or incident to the sale;
- 12 (4) A complete description of the terms of payment or
13 other consideration, including but not limited to any
14 services of any nature that the equity purchaser
15 represents the equity purchaser will perform for the
16 equity seller before or after the sale;
- 17 (5) The time, if any, at which physical possession of the
18 residence is to be transferred to the equity purchaser
19 and the residence vacated by the equity seller;
- 20 (6) The terms of any rental or lease agreement;
- 21 (7) The terms of any reconveyance arrangement;



- 1 (8) A notice of cancellation as provided in section -4;
- 2 and
- 3 (9) The following notice shall appear on the contract in
- 4 immediate proximity to the space reserved for the
- 5 equity seller's signature and shall be in at least
- 6 fourteen-point bold type if the covered contract is
- 7 printed or in capital letters if the covered contract
- 8 is typed. The notice must contain the name of the
- 9 equity purchaser and the date and time by which the
- 10 covered contract must be cancelled. The notice shall
- 11 be completed by the equity purchaser:

"NOTICE REQUIRED BY HAWAII LAW

13 You may cancel this contract at any time before
 14 midnight of _____.
 15 (Date) _____ (Name of Equity
 16 Purchaser) or anyone working for
 17 _____ CANNOT ask you,
 18 _____ (Name of Equity Purchaser),
 19 to sign or have you sign any deed or any other
 20 document until your right to cancel this contract has
 21 ended. See attached notice of cancellation form for
 22 an explanation of this right. You should always



1 consult an attorney or community organization before
2 signing any legal documents concerning your home. It
3 is advisable that you find your own attorney, and not
4 consult with an attorney who has been provided to you
5 by the purchaser. The law requires that this contract
6 contain the entire agreement. You should not rely upon
7 any other written or oral agreement or promise."

8 The equity purchaser shall accurately enter the date on
9 which the right to cancel ends. The covered contract required
10 by this section shall survive delivery of any instrument of
11 conveyance of the residence in foreclosure or default, and shall
12 have no effect on persons other than the parties to the covered
13 contract.

14 § -4 **Cancellation.** (a) In addition to the right of
15 rescission described in section -7, the equity seller has the
16 right to cancel any covered contract with an equity purchaser
17 until midnight of the fifth business day following the day on
18 which the equity seller and equity purchaser sign a covered
19 contract that complies with this section.

20 (b) Cancellation occurs when the equity seller, or a
21 representative of the equity seller, personally delivers written
22 notice of cancellation to the address specified in the covered



1 contract or sends a letter via facsimile or other means of
2 written communication, United States mail, or through an
3 established commercial letter delivery service, indicating
4 cancellation to the business address of the equity purchaser
5 listed on the covered contract. Proof of facsimile delivery or
6 proof of mailing creates a presumption that the notice of
7 cancellation has been delivered.

8 (c) A notice of cancellation given by the equity seller
9 pursuant to subsection (a) need not take the particular form as
10 provided with the covered contract and, however expressed, is
11 effective if it indicates the intention of the equity seller not
12 to be bound by the covered contract.

13 (d) Within ten days following receipt of a notice of
14 cancellation given in accordance with this section, the equity
15 purchaser shall return, without condition, any original covered
16 contract and any other documents signed by the equity seller as
17 well as any fee or other consideration received by the equity
18 purchaser from the equity seller. Cancellation of the contract
19 shall release the equity seller of all obligations to pay fees
20 to the equity purchaser.

21 § -5 **Cancellation form.** (a) The covered contract shall
22 be accompanied by a form completed by the equity purchaser in



1 duplicate, captioned "notice of cancellation" in at least
 2 twelve-point bold type if the covered contract is printed or in
 3 capital letters if the covered contract is typed. This form
 4 shall be attached to the covered contract, shall be easily
 5 detachable, and shall contain in type of at least twelve-point
 6 if the covered contract is printed or in capital letters if the
 7 covered contract is typed, the following statement written in
 8 the same language as used in the covered contract:

"NOTICE OF CANCELLATION

10 This contract was entered into on
 11 _____ . (Enter date covered
 12 contract signed)

13 You may cancel this contract for the sale of your house,
 14 without any penalty or obligation, at any time before midnight
 15 of _____ . (Enter date)

16 To cancel this transaction, personally deliver a signed and
 17 dated copy of this cancellation notice, or send it by facsimile,
 18 United States mail, or an established commercial letter delivery
 19 service, indicating cancellation to
 20 _____, (Name of purchaser)
 21 _____, (Street address of
 22 purchaser's place of business and facsimile number, if any) NOT



1 LATER THAN midnight of _____.

2 (Enter date)

3 If you wish to cancel this contract, sign and date both
4 copies and return one copy immediately to the purchaser.

5 I hereby cancel this transaction.

6 _____/_____ "

7 (Seller's signature and date)

8 (b) The equity purchaser shall provide each equity seller
9 with two copies of the covered contract and attached notice of
10 cancellation. The equity purchaser shall accurately enter the
11 date on which the right to cancel ends.

12 § -6 Cancellation period. (a) Before midnight of the
13 fifth business day after the date on which the covered contract
14 is executed, the equity purchaser shall not do any of the
15 following:

16 (1) Accept from any equity seller an execution of, or
17 induce any equity seller to execute, any instrument of
18 conveyance of any interest in the residence in
19 foreclosure or default;

20 (2) Record with the bureau of conveyances or land court
21 any document, including but not limited to any
22 instrument of conveyance, signed by the equity seller;



1 (3) Transfer or encumber or purport to transfer or
2 encumber any interest in the residence in foreclosure
3 or default to any third party;

4 (4) Pay the equity seller any consideration; or

5 (5) Suggest, encourage, or provide any form that allows
6 the equity seller to waive the equity seller's right
7 to cancel or rescind under this section.

8 (b) An equity purchaser shall make no false or misleading
9 statement regarding:

10 (1) The value of the residence in foreclosure or default

11 (2) The amount of proceeds the equity seller will receive
12 after a foreclosure sale;

13 (3) The timing of the judicial foreclosure process;

14 (4) Any contract term;

15 (5) The equity seller's rights or obligations incident to
16 or arising out of the sale transaction;

17 (6) The nature of any document that equity purchaser
18 induces the equity seller to sign; or

19 (7) Any other false or misleading statement concerning the
20 sale of the residence in foreclosure or default, or
21 concerning the reconveyance arrangement.



1 (c) An equity purchaser is prohibited from representing,
2 directly or indirectly, that:

3 (1) The equity purchaser is acting as an advisor or a
4 consultant, or in any other manner represents that the
5 equity purchaser is acting on behalf of the equity
6 seller;

7 (2) The equity purchaser has any certification or
8 licensure that the equity purchaser does not have, or
9 that the equity purchaser is not a member of a
10 licensed profession if the equity purchaser is
11 actually a member;

12 (3) The equity purchaser is assisting the equity seller to
13 save the house unless the equity purchaser has a good
14 faith basis for the representation; or

15 (4) The equity purchaser is assisting the equity seller in
16 preventing a completed foreclosure unless the equity
17 purchaser has a good faith basis for the
18 representation.

19 (d) It is unlawful for any equity purchaser to initiate,
20 enter into, negotiate, or consummate any covered contract
21 involving residential real property in foreclosure or default if



1 equity purchaser, by the terms of the covered contract, takes
2 unconscionable advantage of the equity seller.

3 § -7 **Transaction voidable.** (a) Any transaction
4 involving residential real property in foreclosure or default
5 that is in material violation of sections -2, -3, -5,
6 -6, or -10 is voidable and the transaction may be
7 rescinded by the equity seller within two years of the date of
8 the recording of the conveyance of the residential real property
9 in foreclosure or default.

10 (b) Any rescission shall be effected by giving written
11 notice to the equity purchaser and any successor in interest of
12 the equity purchaser, if the successor is not a bona fide
13 purchaser or encumbrancer for value as set forth in subsection
14 (c) of this section, and by recording the notice with the bureau
15 of conveyances or land court within two years of the date of the
16 recording of the conveyance to the equity purchaser. The notice
17 of rescission shall contain the name of the equity seller and
18 the name of the equity purchaser in addition to any successor in
19 interest holding record title to the residential real property
20 and shall particularly describe the residential real property.
21 The equity purchaser and the equity purchaser's successor in
22 interest if the successor is not a bona fide purchaser or



1 encumbrancer for value as set forth in paragraph (c) of this
2 subdivision, shall have twenty days after the delivery of the
3 notice in which to reconvey title to the property free and clear
4 of encumbrances created subsequent to the rescinded transaction
5 and that are due to the actions of the equity purchaser. As a
6 condition of the reconveyance of title, the equity seller shall
7 return to the equity purchaser any consideration received from
8 the equity purchaser as part of the original transaction. Upon
9 failure to reconvey title within the time prescribed, the equity
10 seller may bring an action to enforce the rescission and for
11 cancellation of the covered contract and deed.

12 (c) This section shall not affect the interest of a bona
13 fide purchaser or encumbrancer for value if the purchase or
14 encumbrance occurred prior to the recording of the notice of
15 rescission pursuant to subsection (b). Knowledge that the
16 property was residential real property in foreclosure or default
17 shall not impair the status of any persons or entities as bona
18 fide purchasers or encumbrancers for value. This section shall
19 not be deemed to abrogate any duty of inquiry that exists as to
20 rights or interests of persons in possession of the residential
21 real property in foreclosure or default.



1 (d) In any action brought to enforce a rescission pursuant
2 to this section, a court may award to a prevailing equity seller
3 costs and reasonable attorneys' fees.

4 § -8 **Equitable relief, treble damages.** An equity seller
5 may bring an action for the recovery of damages or equitable
6 relief against an equity purchaser for a violation of sections
7 -2, -3, -5, -6, or -10. A court may award to a
8 prevailing equity seller actual damages plus reasonable
9 attorneys' fees and costs. In addition, the court may award
10 equitable relief, or increase the award in an amount not to
11 exceed three times the equity seller's actual damages, or both,
12 if the court deems an award proper. Any action brought pursuant
13 to this section shall be commenced within six years after the
14 date of the alleged violation.

15 § -9 **Criminal violation.** (a) Any equity purchaser who:
16 (1) With intent to defraud, violates section -6 or
17 engages in any practice that would operate as a
18 criminal fraud or deceit upon an equity seller, upon
19 conviction, shall be guilty of a class C felony; and
20 (2) Knowingly violates section -6, upon conviction,
21 shall be guilty of a misdemeanor.



1 A second offense of any offense under paragraph (1), paragraph
2 (2), or combination thereof, within five years shall be a class
3 B felony.

4 (b) An equity purchaser who, when acting in good faith,
5 violates section -6, shall not be deemed to have violated
6 section -6 if the equity purchaser:

- 7 (1) Establishes by a preponderance of the evidence that
8 the compliance failure was not intentional and
9 resulted from a bona fide error notwithstanding the
10 maintenance of procedures reasonably adapted to avoid
11 those errors;
- 12 (2) Notifies the equity seller within ninety days of the
13 contract date of the compliance failure; and
- 14 (3) Makes appropriate restitution to the equity seller and
15 appropriate adjustments to the transaction within
16 ninety days of the contract date.

17 Examples of bona fide errors include but are not limited to
18 clerical, calculation, computer malfunction and programming, and
19 printing errors. An error of legal judgment with respect to a
20 person's obligations under this section is not a bona fide
21 error, nor is a failure to provide notices or other material
22 information required by this chapter.



1 § -10 **Reconveyance** (a) In any transaction in which an
2 equity seller purports to grant a residence in foreclosure or
3 default to an equity purchaser by any instrument that appears to
4 be an absolute conveyance and reserves to the equity seller or
5 is given by the equity purchaser an option to repurchase, the
6 transaction shall create a presumption that the transaction is a
7 loan transaction that may be overcome by clear and convincing
8 evidence to the contrary, and that the purported absolute
9 conveyance is a mortgage.

10 (b) An equity purchaser shall not enter into a
11 reconveyance arrangement unless:

12 (1) The equity purchaser verifies by appropriate
13 documentation that the equity seller has or is likely
14 to have a reasonable ability to pay for the subsequent
15 conveyance of an interest back to the equity seller.
16 In the case of a lease with an option to purchase,
17 payment ability also includes the reasonable ability
18 to purchase the property within the term of the option
19 to purchase. There is a rebuttable presumption that
20 the equity purchaser has not verified reasonable
21 payment ability if the equity purchaser has not



1 obtained documents other than a statement by the
2 equity seller of assets, liabilities and income;
3 (2) The equity purchaser and the equity seller complete a
4 closing for any reconveyance arrangement in which the
5 equity purchaser obtains a deed or mortgage from an
6 equity seller. For purposes of this section,
7 "closing" means an in-person meeting to complete final
8 documents incident to the sale of the real property or
9 creation of a mortgage on the real property conducted
10 by an attorney who is not employed by or an affiliate
11 of the equity purchaser;
12 (3) The equity purchaser obtains the written consent from
13 the equity seller before the equity purchaser grants
14 any interest in the property to anyone else during the
15 time as the equity seller maintains an interest in the
16 property, including an option to repurchase; and
17 (4) The equity purchaser notifies all existing mortgage
18 lien holders of the equity purchaser's intent to
19 accept conveyance of an interest in the property from
20 the equity seller, and fully complies with all terms
21 and conditions contained in the mortgage lien
22 documents, including but not limited to



1 due-on-sale provisions or meeting all qualification
2 requirements for assuming the repayment of the
3 mortgage.

4 (c) An equity purchaser shall not enter into repurchase or
5 lease terms as part of the reconveyance arrangement that are
6 unfair or commercially unreasonable, and is prohibited from
7 engaging in any other unfair or unconscionable conduct.

8 (d) As part of a reconveyance arrangement, an equity
9 purchaser shall either:

10 (1) Ensure that title to the residence is reconveyed to
11 the equity seller; or

12 (2) Make a payment to the equity seller so that the equity
13 seller has received consideration in an amount of at
14 least eighty-two per cent of the fair market value of
15 the property within one hundred twenty days of either
16 the eviction or voluntary relinquishment of possession
17 of the residence by the equity seller. The equity
18 purchaser shall make a detailed accounting of the
19 basis for the payment amount, or a detailed accounting
20 of the reasons for failure to make a payment,
21 including providing written documentation of expenses,
22 within the one hundred twenty-day period. The



1 accounting shall be on a form prescribed by the
2 commissioner of financial institutions. For purposes
3 of this section, the following shall apply:

4 (A) There is a rebuttable presumption that an
5 appraisal by a person licensed or certified by an
6 agency of the federal government or this State to
7 appraise real estate establishes the fair market
8 value of the property;

9 (B) The time for determining the fair market value
10 amount shall be determined in the reconveyance
11 arrangement as either at the time of the
12 execution of the reconveyance arrangement or at
13 resale to a bona fide purchaser. If the covered
14 contract states that the fair market value shall
15 be determined at the time of resale, the fair
16 market value shall be the resale price if it is
17 sold within one hundred twenty days of the
18 eviction or voluntary relinquishment of the
19 property by the equity seller. If the covered
20 contract states that the fair market value shall
21 be determined at the time of resale, and the
22 resale is not completed within one hundred twenty



1 days of the eviction or voluntary relinquishment
2 of the property by the equity seller, the fair
3 market value shall be determined by an appraisal
4 conducted within ten days after the end of the
5 one hundred twenty-day period and payment, if
6 required, shall be made to the equity seller. If
7 payment is not made to the equity seller at that
8 time, the fair market value shall be recalculated
9 as the resale price on resale and payment shall
10 be made to the equity seller within fifteen days
11 of resale. A detailed accounting of the basis
12 for the payment amount shall be made within
13 fifteen days of resale, including providing
14 written documentation of expenses. The
15 accounting shall be on a form prescribed by the
16 commissioner of financial institutions;

17 (C) "Consideration" shall mean any payment or thing
18 of value provided to the equity seller, including
19 unpaid lease payments owed by the equity seller
20 prior to the date of eviction or voluntary
21 relinquishment of the property, reasonable costs
22 paid to third parties necessary to complete the



1 reconveyance transaction, payment of money to
2 satisfy a debt or legal obligation of the equity
3 seller or the reasonable cost of repairs for
4 damage to the residential real property caused by
5 the equity seller beyond ordinary wear and tear;
6 but shall not include amounts imputed as any fee
7 paid, directly or indirectly, to the equity
8 purchaser, or the equity purchaser's
9 representative, incident to a reconveyance
10 arrangement, except for reasonable costs paid to
11 third parties necessary to complete the
12 reconveyance;

13 (D) "Resale" means a bona fide market sale of the
14 residential real property subject to the
15 reconveyance arrangement by the equity purchaser
16 to an unaffiliated third party; and

17 (E) "Resale price" means the purchase price of the
18 property on resale.

19 (e) This section shall not be deemed to abrogate any duty
20 of inquiry that exists as to rights or interests of persons in
21 possession of the residential real property in foreclosure or
22 default.



1 (f) All deeds or conveyances subject to a reconveyance
2 arrangement shall state explicitly on the face of the document
3 that the conveyance is subject to a reconveyance arrangement,
4 and shall state the terms of the reconveyance arrangement.
5 Moreover, all reconveyance arrangements must be simultaneously
6 recorded by the equity purchaser with the subject deed in the
7 bureau of conveyances or land court.

8 § -11 **Contract provision void.** Any provision of a
9 covered contract that attempts or purports to limit the
10 liability of the equity purchaser under this chapter shall be
11 void. Inclusion of any provisions to limit the liability of the
12 equity purchaser shall at the option of the equity seller render
13 the covered contract void. The equity purchaser shall be liable
14 to the equity seller for all damages proximately caused by any
15 limiting provision. Any provision in a covered contract that
16 attempts or purports to require arbitration of any dispute
17 arising under this chapter shall be void at the option of the
18 equity seller.

19 § -12 **Injunctive relief.** In addition to the other
20 remedies provided, whenever there shall be a violation of this
21 chapter, application may be made by the attorney general to the
22 circuit court to issue an injunction, and upon notice to the



1 defendant of not less than five days, to enjoin and restrain the
2 continuance of any violations; and if it shall appear to the
3 satisfaction of the court that the defendant has, in fact,
4 violated this section, an injunction may be issued by the court,
5 enjoining and restraining any further violation, without
6 requiring proof that any person has, in fact, been injured or
7 damaged thereby. Whenever the court shall determine that a
8 violation of this chapter has occurred, the court may impose a
9 civil penalty of not more than \$ for each violation. In
10 connection with any proposed application, the attorney general
11 is authorized to take proof and make a determination of the
12 relevant facts and to issue subpoenas in accordance with the
13 civil practice law and rules.

14 § -13 **Exemptions.** This chapter shall not apply to a
15 prior lien holder where the lien was properly recorded prior to
16 the execution of any covered contract by both the equity seller
17 and the equity purchaser nor shall any provision of this chapter
18 be deemed to impair any equity or other available rights of any
19 such prior lien holder.

20 § -14 **Administration.** (a) This chapter shall be
21 administered by the department of commerce and consumer affairs.



Report Title:

Real Property; Mortgages; Home Equity Theft Prevention

Description:

Requires any residential real property equity purchaser to provide homeowner with certain disclosures. Requires notices and sales contracts to be in writing, and provides cooling off period for homeowner to cancel sale contract.

