

STAND. COM. REP. NO.

694

Honolulu, Hawaii

MAR 01 2007

RE: S.B. No. 1418
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred S.B. No. 1418 entitled:

"A BILL FOR AN ACT RELATING TO THE PREVENTION OF MORTGAGE
RESCUE FRAUD,"

begs leave to report as follows:

The purpose of this measure is to require mortgage rescue
consultants to provide homeowners with a written contract
specifying the services they are entitled to under the contract
and to notify homeowners of the right to cancel at any time before
the services are fully performed.

Your Committee received testimony in support of this measure
from the Department of Commerce and Consumer Affairs, Legal Aid
Society of Hawai'i, and one individual.

Your Committee finds that mortgage rescue consultants often
prey upon homeowners who are in arrears of their mortgage payments
or going through foreclosure proceedings. While mortgage rescue
consultants offer help to distressed homeowners for a fee or some
other type of consideration, the homeowners often get little or
nothing in return and in the most egregious of cases, the
homeowner loses the home to the mortgage rescue consultant.

The intent of this measure is to protect consumers from
foreclosure scams by requiring mortgage rescue consultants to
provide homeowners with a written contract specifying the services
they are entitled to under the contract and to notify homeowners

2007-1623 SSCR SMA.doc



of the right to cancel any time before those services are fully performed.

Your Committee has amended this measure to make technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1418, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1418, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Affordable
Housing,



BRIAN T. TANIGUCHI, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:* SB 1418	Committee Referral: CPH	Date: 2-9-07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
IGE, David Y. (VC)				✓
ESPERO, Will	✓			
IHARA, Jr., Les	✓			
SAKAMOTO, Norman				✓
SLOM, Sam	✓			
TOTAL	4	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes