

Honolulu, Hawaii

APR 22 2008

RE: S.B. No. 2454
S.D. 1
H.D. 1
C.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2454, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MORTGAGE FORECLOSURES,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to streamline and ensure transparency in the non-judicial foreclosure process by requiring a foreclosure mortgagee to provide pertinent information regarding the property to interested parties.

Specifically, this measure:

- (1) Requires the mortgagee to provide the party in breach of the mortgage agreement with the contact information, including the electronic address, of the mortgagee's attorney who must be physically located and licensed in Hawaii; and



- (2) Makes other amendments to the Mortgage Foreclosures Law under Chapter 667, Hawaii Revised Statutes, to ensure that the different non-judicial foreclosure processes include provisions for interested parties to receive sufficient notice and obtain information about the intent to foreclose, amounts to cure the mortgage default, fees and costs, and public sales of the mortgaged property.

A large number of Hawaii foreclosures are handled by servicing corporations located on the mainland that provide little to no information relating to the foreclosure to parties that are entitled to information regarding the property to be foreclosed. It is common for a person to call the contact telephone number contained in a foreclosure notice, only to encounter automated recorded messages, being placed on hold, or being transferred to an individual who is not properly trained to provide the caller with the appropriate information. Your Committee on Conference finds that requiring foreclosing mortgagees to provide the contact information of a Hawaii-based attorney will ensure that interested parties have a means to obtain information from a person with a local presence and the ability to provide useful information.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the attorney authorized as the contact individual shall disclose to the requestor, upon request, the amount to cure the default, attorneys' fees and costs, and other fees and costs estimated to be incurred by the foreclosing mortgagee prior to the auction within five business days of the request, and the sale price of the mortgaged property once auctioned; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2454, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2454, S.D. 1, H.D. 1, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

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ROBERT N. HERKES, Co-Chair

Russell S. Kokubun

RUSSELL S. KOKUBUN, Chair

Tommy Waters

TOMMY WATERS, Co-Chair



