

Honolulu, Hawaii

FEB 06 2008

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

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

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred S.B. No. 2454 entitled:

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

begs leave to report as follows:

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 requires a foreclosure mortgagee
to provide the telephone number of an attorney located and
licensed in Hawaii as the contact individual, and authorizes the
attorney to provide information regarding the property to
qualified callers.

Testimony in support of this measure was submitted by the
Collection Law Section of the Hawaii State Bar Association and
First Hawaiian Bank.

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 finds that requiring a foreclosure mortgagee to provide the telephone number of any attorney located and licensed in Hawaii as the contact individual who has the authority to provide pertinent information to qualified callers will enable consumers and other parties in a foreclosure to obtain important information about the foreclosure and the property in a timely and efficient manner.

Testimony indicated that requiring a non-judicial foreclosure mortgagee to provide pertinent information to interested parties would not impact the resale value of the property scheduled to be auctioned. The Collection Law Section of the Hawaii State Bar Association clarified to your Committee the timeframe of providing information to interested parties.

Accordingly, your Committee has amended this measure by:

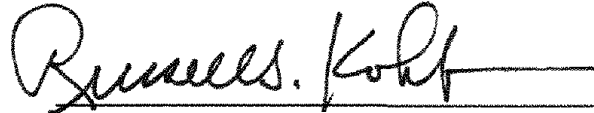
- (1) Clarifying that the attorney authorized as the contact individual shall disclose to the requestor, upon request, the amount to cure the default, attorneys' fees and costs, and other fees and costs estimated to be incurred by the foreclosing mortgagee prior to the auction within five business days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

Your Committee believes that requiring a mortgagee to provide the telephone number of an attorney located and licensed in Hawaii as the contact individual to provide information regarding the property to qualified callers fulfills the intent of this measure, which is to streamline and ensure transparency in the non-judicial foreclosure process.

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. 2454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2454, 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,



RUSSELL S. KOKUBUN, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

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

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2454	CPH	1/31/08		
<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
KOKUBUN, Russell S. (C)	✓			
IGE, David Y. (VC)				✓
ESPERO, Will	✓			
IHARA, Jr., Les	✓			
SAKAMOTO, Norman	✓			
TANIGUCHI, BRIAN T.	✓			
TRIMBLE, Gordon	✓			
TOTAL	6✓			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Will Espero</i>				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes