



## Collection Law Section

Chair:  
Steven Guttman

Vice Chair:  
WilliamJ. Plum

Reply to: STEVEN GUTTMAN, CHAIR  
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### LATE TESTIMONY

February 20, 2008

Representative Robert N. Herkes, Chair  
and Members of the  
House Consumer Protection and Commerce Committee

Representative Tommy Waters, Chair  
and Members of the  
House Judiciary Committee  
Hawaii State Capitol

RE: HB 2837 - RELATING TO FORECLOSURES

Dear Mr. Herkes, Mr. Waters, and Committee Members:

The Collection Law Section of the Hawaii State Bar Association<sup>1</sup> requests that you support the above bill regarding improving non-judicial foreclosures under HRS Section 667-5 and 667-7. HB 2836 will eliminate a major problem facing consumers and other parties when a foreclosure is filed, *i.e.*, obtaining important information about the foreclosure in a timely manner. Currently, 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 such information. For example, co-mortgagors and junior lien holders often need to know what the amount is to cure the default in order to stop the foreclosure, or what the estimated foreclosing fees and costs will be so that they can properly bid at the auction and protect their position. It is common for a person to call the telephone number provided in a foreclosure notice, only to be run around in circles with automated outgoing messages, put on hold, or transferred to someone who is not properly trained to provide the caller with the information the caller needs.

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<sup>1</sup> The opinions of the Collection Law Section are not necessarily those of the Hawaii State Bar Association proper.

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Our proposal states that the mortgagee must provide the telephone number of an attorney located and licensed in Hawaii as the contact individual, and that this individual will have clear authority to provide the information to qualified callers. By using a Hawaii based attorney there will be local accountability, no more time zone differentials involved and the guaranty that a caller can speak to a person who will give them answers. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Bill Plum".

William J. Plum