



First Hawaiian Bank

Neal K. Okabayashi
Vice President & Attorney

2454

Presentation to the
Senate Committee on Commerce, Consumer Protection, and Affordable Housing
Thursday, January 31, 2008 at 9:00a.m., Room 229

SB2454 Relating to Mortgage Foreclosures

My name is Neal Okabayashi and I testify for First Hawaiian Bank in support of SB 2454. The purpose of this bill is to require that the foreclosing mortgagee in the instance of a nonjudicial foreclosure take certain steps to ensure that other interested parties may receive pertinent information regarding the property. Hawaii has two nonjudicial foreclosure laws, commonly known as the old law and the new law. Because of certain defects in the new law, no one uses it but uses the old law. However, the old law does not have any provision requiring the foreclosing mortgagee to provide pertinent information. This has been a problem when the foreclosing mortgagee is a mainland lender and this bill takes an affirmative step of moving in the right direction and accordingly, we support the bill.

Thank you for this opportunity to testify and I will be happy to answer any questions you may have.

Neal K. Okabayashi



Collection Law Section

Chair:
Steven Guttman

Vice Chair:
William J. Plum

Reply to:

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Senator Russell S. Kokubun
and Consumer Protection Committee Members January 30, 2008
Hawaii State Capitol, Room 407

Re: SB 2454 / H.R.S. 667-5 & 667-7

Dear Senator Kokubun and Committee Members:

The Collection Law Section of the Hawaii State Bar Association¹ requests that you support SB 2454 regarding non-judicial foreclosures under HRS Sections 667-5 and 667-7. SB 2454 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 by automated recorded messages, put on endless hold, or be transferred to someone who is not properly trained to provide the caller with the information the caller needs.

SB 2454 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 for the caller to deal with, and the guaranty that a caller can speak to a person who will give them answers. Thank you for your consideration of this measure.

Sincerely

A handwritten signature in black ink, appearing to read "W. Plum", is written over the typed name.

William J. Plum

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

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January 31, 2008

Sen. Russell Kokobun, Chair,

and members of the Senate Committee on Commerce, Consumer Protection & Affordable Housing
Hawaii State Capitol
Honolulu, Hawaii 96813

Re: **Senate Bill 2454 (Mortgage Foreclosures)**
Hearing Date/Time: Thursday, January, 31, 2008, 9:00 A.M.

I am the attorney for the Hawaii Financial Services Association ("HFSA"). The HFSA is the trade association for Hawaii's financial services loan companies.

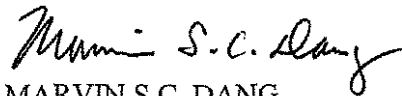
The purpose of this Bill is to require a mortgagee to provide the telephone number of an attorney located and licensed in Hawaii as the contact individual, and authorizes this individual to provide information to qualified callers.

The HFSA **supports** this Bill.

There are times when a financial services loan company has a second mortgage on property that is the subject of a non-judicial foreclosure by a mainland lender who has a first mortgage on the property. In the past, the financial services loan company has had difficulty in getting information from the mainland lender about the loan balance or the status of the foreclosure.

The approach in this Bill will enable lenders, including financial services loan companies, to obtain such information from mainland lenders.

Thank you for this opportunity to provide testimony.



MARVIN S.C. DANG

Attorney for Hawaii Financial Services Association

(MSCD/hfsa)