

Honolulu, Hawaii

APR 09 2009

RE: H.B. No. 1071
H.D. 3
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1071, H.D. 3, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish within the Department of Commerce and Consumer Affairs a system to license and regulate servicers of residential mortgage loans secured by real property located in Hawaii.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that mortgage servicers are frequently a borrower's only contact for information regarding the borrower's mortgage loan or to address and resolve matters that can arise in the course of making payments on that loan. However, many mortgage servicers are unable or unwilling to assist borrowers in distress who want to negotiate a modification or workout of a delinquent loan. Your Committee further finds that licensure and regulation of mortgage servicers is necessary to protect Hawaii homeowners, especially given the rising rate of home mortgage foreclosures caused by the current economic recession.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1071, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1071, H.D. 3, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DONNA MERCADO KIM, Chair



