

STAND. COM. REP. NO.

431

Honolulu, Hawaii

Feb 19, 2009

RE: H.B. No. 202
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 202
entitled:

"A BILL FOR AN ACT RELATING TO FORECLOSURES,"

begs leave to report as follows:

The purpose of this bill is to protect the rights of a tenant
of rental property by requiring 120-day notice of mortgage
foreclosure to the tenant under a month-to-month tenancy by a
successor-in-interest prior to the termination of the rental
agreement and commencement of summary possession proceedings.

The Hawaii Association of REALTORS supported the intent of
this bill. The Legal Aid Society of Hawaii supported this measure
with amendments. The Hawaii Bankers Association opposed this
bill. The Hawaii Financial Services Association provided
comments.

The intent of your Committee is to address the rights of
tenants in foreclosure cases while balancing the interests of all
stakeholders. Accordingly, your Committee has amended this bill
by:

- (1) Setting forth the acceptable methods of delivery of
notice to the tenant or subtenant that a rental housing
unit is in foreclosure;
- (2) Reducing the time period for notice from 120 to 45 days;


HB202 HD1 HSCR HSG HMS 2009-2234



- (3) Changing the definition of "successor-in-interest" from a fee simple owner or owners of the property whose interest was acquired through foreclosure, to a person who acquired an interest in the property through foreclosure;
- (4) Providing that for power of sale foreclosures, the tenant is to be given notice 15 days before the actual sale of the mortgaged property;
- (5) Changing the effective date to July 1, 2009; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 202, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Housing,



RIDA CABANILLA, Chair



