

STAND. COM. REP. NO.

1597

Honolulu, Hawaii

Aug: 19, 2009

RE: S.B. No. 34  
S.D. 1  
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 Judiciary, to which was referred S.B. No. 34, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE MORTGAGE RESCUE FRAUD PREVENTION ACT,"

begs leave to report as follows:

The purpose of this bill is to exempt licensed real estate brokers and salespersons from the requirements of the Mortgage Rescue Fraud Prevention Act (Act), Chapter 480E, Hawaii Revised Statutes. This measure also prohibits these persons from acquiring an ownership interest in any distressed residential property currently listed with the broker or salesperson, or within a year after the listing agreement is terminated.

The Office of Consumer Protection, Hawaii Association of Realtors, Hawaii Association of Mortgage Brokers, and a concerned individual supported this bill. The Office of Hawaiian Affairs and Legal Aid Society of Hawaii opposed this measure.

Upon further consideration, your Committee has amended this bill by:

- (1) Increasing the length of time before a real estate broker or salesperson can acquire an interest in a distressed property from one to two years after the listing agreement has expired or is terminated;

SB34 HD1 HSCR JUD HMS 2009-3620

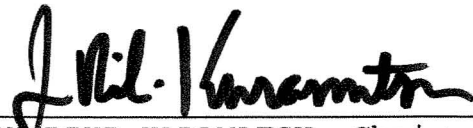


- (2) Specifying that a real estate broker or salesperson must be currently licensed and active, as well as acting in accordance with customary industry standards to be exempt from the Act; and
- (3) Changing the effective date to January 1, 2046 to encourage further discussion.

Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 34, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 34, S.D. 1, H.D. 1.

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



JON RIKI KARAMATSU, Chair



