



**GOV. MSG. NO. 494**

EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

April 19, 2010

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Twenty-Fifth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on April 19, 2010, the following bill was signed into law:

SB2910 HD1

A BILL FOR AN ACT  
RELATING TO REAL PROPERTY.  
**ACT 036 (10)**

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

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# A BILL FOR AN ACT

RELATING TO REAL PROPERTY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Chapter 667, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§667- Buyer's choice of title insurer and escrow agent.

5 (a) In connection with a judicial foreclosure or foreclosure by  
6 power of sale of residential property improved by four or fewer  
7 dwelling units, no foreclosing mortgagee or mortgagee who  
8 acquires the property through a foreclosure proceeding shall  
9 require, directly or indirectly, as a condition of selling the  
10 property, that the buyer purchase an owner's title insurance  
11 policy covering the property or escrow service in connection  
12 with the sale of the property from a particular title insurer or  
13 escrow depository. This section shall not prohibit a buyer from  
14 agreeing to accept the services of a title insurer or an escrow  
15 depository recommended by the foreclosing mortgagee or mortgagee  
16 who acquires the property through the foreclosure proceeding if  
17 written notice of the right to make an independent selection of  
18 those services is first provided to the buyer by the foreclosing



1 mortgagee or mortgagee who acquires the property through the  
2 foreclosure proceeding.

3 (b) A foreclosing mortgagee or mortgagee who acquires the  
4 property through a foreclosure proceeding who violates this  
5 section shall be liable to a buyer in an amount equal to three  
6 times all charges incurred in the purchase of the title  
7 insurance or escrow service.

8 (c) A transaction subject to this section shall not be  
9 invalidated solely because of the failure of any person to  
10 comply with any provision of this section."

11 SECTION 2. This Act does not affect rights and duties that  
12 matured, penalties that were incurred, and proceedings that were  
13 begun before its effective date.

14 SECTION 3. New statutory material is underscored.

15 SECTION 4. This Act shall take effect on July 1, 2010.

APPROVED this 19 day of APR, 2010

  
GOVERNOR OF THE STATE OF HAWAII