

MAR 09 2010

SENATE CONCURRENT RESOLUTION

REQUESTING A REPORT ON THE FEASIBILITY OF ESTABLISHING A
FORECLOSURE TRUST FUND TO ASSIST HAWAII'S HOMEOWNERS.

1 WHEREAS, according to the national Mortgage Bankers
2 Association, 7,535 residential property loans were in
3 foreclosure at the end of 2009 in Hawaii and an additional
4 12,182 mortgages were delinquent but not yet in foreclosure,
5 which amounts to nearly twelve per cent of Hawaii homes that
6 were in foreclosure or threatened by foreclosure; and

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8 WHEREAS, RealtyTrac reports that Hawaii experienced a 286.4
9 percent increase in foreclosures from January 2009 to January
10 2010 and a 241 percent increase in foreclosure auction notice
11 filings, which is an early step homeowners take to save their
12 homes from foreclosure; and

13
14 WHEREAS, in addition, Hawaii had an average mortgage debt
15 per borrower of \$137,599 in the fourth quarter of 2009, which is
16 the third-highest average in the nation; and

17
18 WHEREAS, the Legislature finds that should a similar
19 economic and housing situation occur in the future, Hawaii's
20 homeowners would benefit from temporary assistance and time for
21 the repayment of mortgage debt; now, therefore,

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23 BE IT RESOLVED by the Senate of the Twenty-fifth
24 Legislature of the State of Hawaii, Regular Session of 2010, the
25 House of Representatives concurring, that the Hawaii Housing
26 Finance and Development Corporate is requested to conduct a
27 study on the feasibility of establishing a foreclosure trust
28 fund that would provide homeowners with temporary mortgage
29 payment assistance to hold foreclosure in abeyance and allow the
30 homeowners time to work with their lenders on mortgage
31 refinancing and repayment; and
32



1 BE IT FURTHER RESOLVED that the feasibility study include
2 findings and recommendations on issues including but not limited
3 to the following:

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- 5 (1) The source of funding for the foreclosure trust fund;
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- 7 (2) The scale and scope of the trust fund - whether the
- 8 fund would be available statewide or to particular
- 9 communities;
- 10
- 11 (3) A recommended process and criteria for selecting
- 12 applicants for loans from the trust fund;
- 13
- 14 (4) A recommended process for the repayment of loans; and
- 15
- 16 (5) The length of time for which foreclosure may be held
- 17 in abeyance and for which a loan from the foreclosure
- 18 trust fund would be provided; and
- 19

20 BE IT FURTHER RESOLVED that the Hawaii Housing Finance and
21 Development Corporation is requested to report its findings and
22 recommendations, including proposed legislation, to the
23 Legislature no later than twenty days prior to the convening of
24 the Regular Session of 2011; and

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26 BE IT FURTHER RESOLVED that a certified copy of this
27 Concurrent Resolution be transmitted to the Executive Director
28 of the Hawaii Housing Finance and Development Corporation.
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OFFERED BY: Norman Sakomfo

Michelle N. Sidani

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Shiranne Chun Oskland

