

JAN 27 2010

S.B. NO. 2910

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 title insurance covering the property or escrow
11 service in connection with the sale of the property be purchased
12 by the buyer from a particular title insurer or escrow
13 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.

16

INTRODUCED BY:

V. C. J. J.
by request



Report Title:

Residential Real Property; Mortgage Foreclosure

Description:

Prohibits a foreclosing mortgagee or mortgagee who acquires a property from requiring that a buyer purchase title insurance or escrow services from any particular vendor as a condition of sale.

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