
SENATE CONCURRENT RESOLUTION

REQUESTING A REPORT ON THE FEASIBILITY OF ESTABLISHING A
FORECLOSURE MITIGATION COUNSELING PROGRAM TO ASSIST
HAWAII'S HOMEOWNERS.

1 WHEREAS, according to RealtyTrac reports, Hawaii
2 experienced a 286.4 percent increase in foreclosures from
3 January 2009 to January 2010 and a 241 percent increase in
4 foreclosure auction notice filings, which is an early step
5 homeowners take to save their homes from foreclosure; and

6
7 WHEREAS, in addition, Hawaii had an average mortgage debt
8 per borrower of \$137,599 in the fourth quarter of 2009, which is
9 the third-highest average in the nation; and

10
11 WHEREAS, the National Foreclosure Mitigation Counseling
12 Program was created by the Consolidated Appropriations Act of
13 2008 (P.L. 110-161) in December 2007 to address the subprime
14 foreclosure crisis, and NeighborWorks America, the entity
15 administering this program, has received additional
16 appropriations by Congress to continue to provide counseling to
17 troubled homeowners at risk of foreclosure; and

18
19 WHEREAS, under the National Foreclosure Mitigation
20 Counseling Program, Hawaii nonprofits including Consumer Credit
21 Counseling Service of Hawaii, Hale Mahaolu, Hawaii HomeOwnership
22 Center, Hawaiian Community Assets, and Legal Aid Society of
23 Hawaii are currently providing foreclosure mitigation counseling
24 services statewide and have assisted well over 1,000 homeowners
25 statewide; and

26
27 WHEREAS, the Legislature finds that should a similar
28 economic and housing crisis situation occur in the future, after
29 the National Foreclosure Mitigation Counseling Program funding
30 ceases, Hawaii's homeowners would benefit from counseling on
31 their options to avoid foreclosure, and how to work with their
32 lenders or loan servicers on mortgage refinancing, loan



1 modification, or other restructuring of their mortgage debt;
2 now, therefore,
3

4 BE IT RESOLVED by the Senate of the Twenty-fifth
5 Legislature of the State of Hawaii, Regular Session of 2010, the
6 House of Representatives concurring, that the Legislative
7 Reference Bureau is requested to conduct a study to determine
8 the feasibility of providing homeowners with a means to hold
9 foreclosure in abeyance while undergoing foreclosure mitigation
10 counseling, and allow the homeowners time to work with their
11 lenders or loan servicers on mortgage refinancing, loan
12 modification, or repayment before foreclosure can commence; and
13

14 BE IT FURTHER RESOLVED that the feasibility study include
15 findings and recommendations on issues including but not limited
16 to the following:
17

- 18 (1) The feasibility of establishing a state program
19 modeled after the National Foreclosure Mitigation
20 Counseling Program;
21
- 22 (2) The appropriate state entity to administer such a
23 program;
24
- 25 (3) The feasibility of creating a foreclosure mitigation
26 counseling special fund to finance foreclosure
27 mitigation counseling by non-profit counselors trained
28 to assist distressed homeowners in Hawaii;
29
- 30 (4) The source of funding for a foreclosure mitigation
31 counseling special fund; and
32
- 33 (5) Whether a more comprehensive approach which includes
34 pre-purchase homebuyer education should be offered;
35 and
36

37 BE IT FURTHER RESOLVED that the Legislative Reference
38 Bureau is requested to report its findings and recommendations,
39 including proposed legislation, to the Legislature no later than
40 twenty days prior to the convening of the Regular Session of
41 2011; and
42



- 1 BE IT FURTHER RESOLVED that a certified copy of this
- 2 Concurrent Resolution be transmitted to the Director of the
- 3 Legislative Reference Bureau.

