

Honolulu, Hawaii
F. 418 , 2010

RE: H.B. No. 2132
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred H.B. No. 2132 entitled:

"A BILL FOR AN ACT RELATING TO MORTGAGE FORECLOSURES,"

beg leave to report as follows:

The purpose of this bill is to strengthen protections for mortgage consumers by requiring lenders, 45 days prior to initiating foreclosure proceedings, to mail to their mortgagor a notice of default advising the mortgagor of the availability of counseling through federal Department of Housing and Urban Development (HUD) approved counseling agencies, and the toll-free telephone number and website address for information on no-cost mortgage counseling services approved by HUD.

The Legal Aid Society of Hawai'i and ILWU Local 142 supported this bill. Hawaii Bankers Association and Hawaii Credit Union League opposed the bill. The Department of Commerce and Consumer Affairs commented on the measure.

Your Committees find that many homeowners facing foreclosure are unaware of their options, or of where they might go for information and assistance. Providing a homeowner with access to this information in advance of foreclosure proceedings will give the homeowner a better chance of avoiding foreclosure and the loss of their home.



Your Committees have amended this bill to encourage further discussion by changing its effective date to January 1, 2050.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2132, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2132, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,



JON RIKI KARAMATSU, Chair



ROBERT N. HERKES, Chair



