STAND. COM. REP. NO. 107-10

Honolulu, Hawaii

March 31 , 2010

RE: S.B. No. 2472 S.D. 2 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 S.B. No. 2472, S.D. 2, entitled:

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

beg leave to report as follows:

The purpose of this bill is to require mortgagees in a powerof-sale foreclosure to:

- Provide the mortgagor with thirty days written notice of default and of the mortgagee's right to foreclose;
- (2) Advise the mortgagor of the availability of mortgage counseling; and
- (3) Upon request by the mortgagor, provide a copy of the promissory note and mortgage document to the mortgagor before initiating foreclosure proceedings.

This bill also provides that a public sale price of seventy percent of the fair market value of the mortgaged property is fair and reasonable.

The Hawaii Bankers Association and a concerned individual testified in support of this bill. The Hawaii Financial Services Association and Legal Aid Society of Hawaii supported the intent of this measure. The Hawaii Credit Union League, Hawaiian

SB2472 HD1 HSCR CPC-JUD HMS 2010-2985

STAND. COM. REP. NO. (107 -10 Page 2

Alliance, LLC, and numerous concerned individuals opposed this bill. The Department of Commerce and Consumer Affairs, Collection Law Section of the Hawaii State Bar Association, Hawaii Council of Associations of Apartment Owners, and Community Associations Institute - Hawaii Chapter, opposed this measure.

Your Committees have amended this bill by replacing its entire contents with provisions that:

- (1) Establish the Mortgage Foreclosure Task Force (Task Force) to analyze various factors affecting mortgage foreclosures in Hawaii. The Task Force will develop policies and procedures to improve the way mortgage foreclosures are conducted, analyze the effectiveness of current foreclosure procedures, and evaluate the feasibility of establishing a state entity to address mortgagor concerns and provide consumer education; and
- (2) Take effect on July 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 S.B. No. 2472, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2472, S.D. 2, 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



State of Hawaii House of Representatives The Twenty-fifth Legislature

HSCR 1107-10

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.:	Committee Referral:	Date:	Date: 2/20/10					
SB 2472, SD2 CPC/JUD 3/29/10								
The committee is reconsidering its previous decision on the measure.								
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) 								
CPC Members	Ayes	Ayes (WR)	Nays	Excused				
1. HERKES, Robert N. (C)				\times				
2. WAKAI, Glenn (VC)								
3. BELATTI, Della Au				X				
4. CABANILLA, Rida								
5. CARROLL, Mele	월월 50년 1 995년 8월 51							
6. ITO, Ken								
7. KARAMATSU, Jon Riki								
8. LUKE, Sylvia								
9. McKELVEY, Angus L.K.								
10. MIZUNO, John M.	5			\times				
11. MORITA, Hermina M.			学者:《金属》	\times				
12. SOUKI, Joseph M.	X							
13. TSUJI, Clift	X							
14. MARUMOTO, Barbara C.	X							
15. THIELEN, Cynthia	X							
	,							
		0						
TOTAL (15)	10			5				
The recommendation is: Image: Adopted life joint referral,								
Vice Chair's or designee's signature:								
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO								

State of Hawaii House of Representatives The Twenty-fifth Legislature

HSUR 1107-10

Record of Votes of the Committee on Judiciary

Bill/Resolution No.: SB2472, SD2								
The committee is reconsidering its previous decision on the measure.								
The recommendation is to: □ Pass, unamended (as is) □ Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit) □ □ □								
JUD Members		es Aye	es (WR)	Nays	Excused			
1. KARAMATSU, Jon Riki (C)		/						
2. ITO, Ken (VC)	V				/			
3. BELATTI, Della Au					1			
4. CABANILLA, Rida	V							
5. CARROLL, Mele					1			
6. HERKES, Robert N.		/						
7. LUKE, Sylvia	V							
8. McKELVEY, Angus L.K.				_				
9. MIZUNO, John M.								
10. MORITA, Hermina M.		/			5			
11. OSHIRO, Blake K.	V							
12. SOUKI, Joseph M.	V							
13. TSUJI, Clift	V							
14. WAKAI, Glenn	V	-						
15. MARUMOTO, Barbara C.	V	/						
16. THIELEN, Cynthia	V	/						
	/							
TOTAL (16)			O	0	5			
The recommendation is: 🗘 Adopted 🗅 Not Adopted								
If joint referral, did not support recommendation.								
Vice Chair's or designee's signature:								
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO								