



HAWAII CREDIT UNION LEAGUE

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LATE TESTIMONY

Testimony to the House Committee on Consumer Protection and Commerce
February 18, 2009 at 2:00 p.m.

Testimony opposing HB 304, Relating to Foreclosures

To: The Honorable Robert Herkes, Chair
The Honorable Glenn Wakai, Vice-Chair
Members of the Committee on Consumer Protection and Commerce

My name is Stefanie Sakamoto and I am testifying on behalf of the Hawaii Credit Union League, which represents approximately 810,000 credit union members across the state.

We are in opposition to HB 304, Relating to Foreclosures. Our primary concern regarding this measure is the impact it will have on lengthening the foreclosure process. This is particularly troubling at a time when the real estate sales are so soft and market prices of residential real estate are falling. Under such conditions, the longer it takes for the property to be auctioned, the less the collateral will be worth. Consequently, the lender could suffer a larger loss, and the borrowers could be faced with a larger deficiency balance in the event the property is sold for less than the borrowers' mortgage obligations. Even if there is positive equity, the borrowers will realize less equity in a declining market.

Thank you for the opportunity to testify.