

STAND. COM. REP. NO. 545

Honolulu, Hawaii
Feb 18, 2011

RE: H.B. No. 1411
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred H.B. No. 1411 entitled:

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

beg leave to report as follows:

The purpose of this bill is to provide a comprehensive
approach to reform the foreclosure laws in Hawaii by replacing the
current non-judicial foreclosure process with a new non-judicial
process.

UNITE HERE Local 5, Catholic Charities Hawaii, and numerous
individuals supported this measure. The Hawaii Association of
REALTORS supported the intent of this bill. The Community
Associations Institute, the Hawaii Bankers Association, the Hawaii
Financial Services Association, Mililani Town Association, and the
Hawaii Credit Union League opposed this bill. The Department of
Commerce and Consumer Affairs, Faith Action for Community Equity,
and numerous individuals offered comments.

Your Committees have amended this bill to provide greater
consumer protections, clarify the non-judicial foreclosure
process, and eliminate the potential for lender abuse. Amendments
to the bill include:

- (1) Detailed provisions for mandatory mortgage foreclosure
dispute resolution;

HB1411 HD1 HSCR CPC-JUD HMS 2011-2366

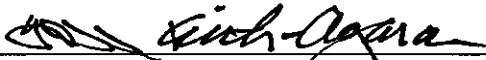


- (2) Clear descriptions of prohibited types of conduct in the foreclosure process and their consequences; and
- (3) Stricter regulations of the mortgage servicer industry.


Your Committee finds that this measure will provide much needed and comprehensive reform of Hawaii's foreclosure law and will help address the improprieties of the mortgage loan industry that have contributed to the foreclosure crisis facing Hawaii's homeowners today.

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. 1411, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1411, H.D. 1, and be referred to the Committee on Finance.

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



GILBERT KEITH-AGARAN, Chair



ROBERT N. HERKES, Chair



