



L A T E

TEL:  
808-524-5161  
FAX:  
808-521-4120  
ADDRESS:  
1000 Bishop Street, Suite 301B  
Honolulu, HI 96813-4203

Presentation of the Committee on Ways and Means  
Thursday, February 24, 2011 at 9:00 a.m.  
Testimony on SB 652 SD1 Relating to Mortgage Foreclosures

TO: The Honorable Chair David Y. Ige  
The Honorable Vice Chair Michelle Kidani  
Members of the Committee

I am Gary Fujitani, Executive Director of the Hawaii Bankers Association (HBA), testifying in support of SB 652 SD1 with reservations. HBA is the trade organization that represents all FDIC insured depository institutions doing business in Hawaii.

The purpose of this bill is to implement your Mortgage Foreclosure Task Force recommendations, which provide additional rights for troubled borrowers during the non-judicial foreclosure process. HBA had a participating member serving on the Task Force.

Our reservations stem from the possible piling on affect of other foreclosure bills still being considered by the legislature. These bills would add an inordinate amount of time to an already long process for lenders to get repaid on troubled mortgage loans.

The primary reason many borrowers are experiencing difficulty meeting their mortgage obligations is reduced income from unemployment or underemployment. The unintended consequences of overly restrictive foreclosure laws that do not solve the underlying problem of loss of income could include: *higher interest rates; larger down payments; depressed property values delaying economic recovery (which harms sellers and neighborhoods); fewer borrowers able to qualify for loans; flood of foreclosures down the road.*

Thank you for the opportunity to provide our testimony.

A handwritten signature in black ink, appearing to read 'Gary Y. Fujitani', written over a horizontal line.

Gary Y. Fujitani  
Executive Director