

---

---

## A BILL FOR AN ACT

RELATING TO MORTGAGE COLLECTIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1           SECTION 1. Chapter 480D, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§480D- Mortgage collection firms; prohibited  
5 practices; penalties and remedies. (a) A mortgage collection  
6 firm shall not:

7           (1) Offer evidence in a residential mortgage foreclosure  
8 proceeding under chapter 667 that the firm knows to be  
9 false;

10          (2) Knowingly breach a bona fide mortgage modification  
11 agreement; or

12          (3) Notwithstanding any law to the contrary, retake  
13 possession, without judicial process, of residential  
14 real property for a party filing a mortgage  
15 foreclosure action upon the property, unless the  
16 property is abandoned for more than thirty days.

17          (b) A violation of subsection (a) is an unfair or  
18 deceptive act or practice in the conduct of any trade or



1 commerce within the meaning of section 480-2. A mortgage  
 2 collection firm that violates subsection (a) is subject to the  
 3 penalties and remedies provided in sections 480D-4 and 480D-5,  
 4 including the award of reasonable attorney's fees and costs.

5 (c) For purposes of this section:

6 "Mortgage collection firm" means:

- 7 (1) An attorney or law firm engaged to represent a party  
 8 filing a residential mortgage foreclosure action; or  
 9 (2) A person engaged in debt collection services for a  
 10 residential mortgage loan.

11 "Mortgage modification agreement" means a written agreement  
 12 to modify the interest rate or other terms of a residential  
 13 mortgage to avoid default of the mortgage or foreclosure  
 14 proceedings."

15 SECTION 2. New statutory material is underscored.

16 SECTION 3. This Act shall take effect upon its approval.

17

INTRODUCED BY: Mel Carrall

Paul Karen Quana  
Andy Evans  
Dr  
Traval



**Report Title:**

Mortgage Collection Practices

**Description:**

Prohibits mortgage collection firms from certain acts, such as knowingly breaching a bona fide mortgage modification agreement. Provides penalties.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

