

STAND. COM. REP. NO. 3253

Honolulu, Hawaii

APR 05 2012

RE: H.B. No. 2375
S.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2375, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE MORTGAGE RESCUE FRAUD PREVENTION ACT,"

begs leave to report as follows:

The purpose and intent of this measure is to increase consumer protections against fraudulent mortgage rescue services.

Specifically, the measure assists consumers by:

- (1) Requiring the Office of Consumer Protection to educate consumers about fraudulent activities that may be committed against homeowners who face property foreclosures, liens, or encumbrances; and
- (2) Establishing criminal penalties and a mandatory fine for certain violations of the Mortgage Rescue Fraud Prevention Act.

Your Committee finds that unscrupulous individuals and entities purporting to be mortgage foreclosure rescuers offer fraudulent services to assist homeowners who face property foreclosures, liens, or encumbrances. These scammers carry out their schemes while the homeowners are at their most vulnerable and in desperate financial circumstances. Although current law provides for civil enforcement of any violation of the Mortgage Rescue Fraud Prevention Act as an unfair or deceptive trade

HB2375 SD2 SSCR LRB 12-2380.doc



practice, the addition of criminal penalties under this measure would enhance protections for a particularly vulnerable category of consumers.

Your Committee has amended this measure by deleting, as unnecessary, the new provision in section 1 that provides for the deposit of civil and criminal fines into the compliance resolution fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2375, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2375, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

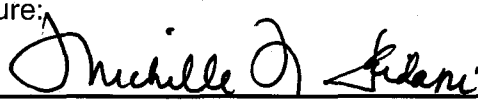


DAVID Y. IGE, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
HB2375 SDI	CPN/JDL, WAM	3-28-12
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310
<input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
	Nay	Excused
IGE, David Y. (C)	✓	
KIDANI, Michelle N. (VC)	✓	
CHUN OAKLAND, Suzanne	✓	
DELA CRUZ, Donovan M.	✓	
ENGLISH, J. Kalani	✓	
ESPERO, Will		✓
FUKUNAGA, Carol	✓	
KIM, Donna Mercado		✓
KAHELE, Gilbert	✓	
KOUCHI, Ronald D.		✓
RYAN, Pohai	✓	
TOKUDA, Jill N.	✓	
WAKAI, Glenn	✓	
SLOM, Sam		✓
TOTAL	10	1
		0
		3
Recommendation:		
<input checked="" type="checkbox"/> Adopted	<input type="checkbox"/> Not Adopted	
Chair's or Designee's Signature:		
		
Distribution:	Original	Yellow
	File with Committee Report	Clerk's Office
	Pink	Goldenrod
	Drafting Agency	Committee File Copy

*Only one measure per Record of Votes