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Testimony to the Senate Committee on Commerce and Consumer Protection
March 14, 2012

Testimony in Opposition to HB 2018 HD1, Relating to Foreclosures

To: The Honorable Rosalyn Baker, Chair
The Honorable Brian Taniguchi, Vice-Chair
Members of the Committee

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for 81 Hawaii credit unions, representing approximately 811,000 credit union members across the state. Approximately 60 of our credit unions write mortgage loans in the State of Hawaii. We are in opposition to HB 2018 HD1.

While the proposed changes to this bill are an improvement, we feel that lenders have always been subject to laws regarding Unfair and Deceptive Acts or Practices (UDAP) under Chapter 480, so this section is not necessary.

Many Hawaii credit unions are too small to survive even one successful attack under these UDAP provisions. Making virtually any technical and/or inadvertent mistake in the administration of a foreclosure an "unfair and deceptive act or practice" creates a risk that is extremely large for Hawaii's credit unions.

Thank you for the opportunity to present testimony.