

Testimony for HB2019 on 1/25/2012 2:00:00 PM
mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

LATE TESTIMONY

Sent: Wednesday, January 25, 2012 9:57 AM

To: CPCtestimony

Cc: SSAKAMOTO@hcul.org

Attachments: HB2019 1-25-12.pdf (1 MB)

Testimony for CPC/JUD 1/25/2012 2:00:00 PM HB2019

Conference room: 325

Testifier position: Oppose

Testifier will be present: Yes

Submitted by: STEFANIE SAKAMOTO

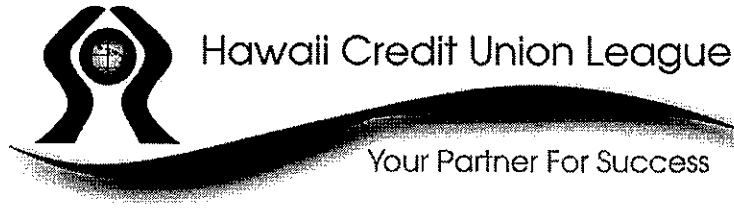
Organization: HCUL

E-mail: SSAKAMOTO@hcul.org

Submitted on: 1/25/2012

Comments:

LATE TESTIMONY



1654 South King Street
Honolulu, Hawaii 96826-2097
Telephone: (808) 941.0556
Fax: (808) 945.0019
Web site: www.hcul.org
Email: info@hcul.org



Testimony to the House Committee on Commerce and Consumer Protection
And the House Committee on Judiciary
Wednesday, January 25, 2012 at 2:00 p.m.

Testimony in Opposition to HB 2019, Relating to Mortgages

To: The Honorable Robert Herkes, Chair
The Honorable Ryan Yamane, Vice-Chair
Members of the Committee on Commerce & Consumer Protection

The Honorable Gil Keith-Agaran, Chair
The Honorable Karl Rhoads, Vice-Chair
Members of the Committee on Judiciary

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for 83 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 2019.

HB 2019 seeks to bar the collection of a deficiency judgment in the case where a short sale or foreclosure sale of a residential property does not pay off the balance of a mortgage loan.

Short sales are often a desirable alternative to foreclosure because of the lesser costs and fees on both sides. However, a short sale does not mean that the borrower is automatically forgiven of the remainder of their mortgage debt.

We submit that these provisions would inject unnecessary risk and uncertainty into both the short sale process and the mortgage foreclosure process. The provisions regarding relief from deficiency judgments in Act 48, developed by the Mortgage Foreclosure Task Force in 2010 after long and serious deliberation are adequate and should not be expanded.

Thank you for the opportunity to provide comments.