

STAND. COM. REP. NO.

806

Honolulu, Hawaii

March 1

, 2013

RE: H.B. No. 25

H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 25, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SUSPENSION OF FORECLOSURE ACTIONS BY JUNIOR LIENHOLDERS,"

begs leave to report as follows:

The purpose of this measure is to help ensure that properties do not deteriorate, thereby lowering overall property values, by permitting planned community associations and condominium associations, as junior lienholders, to initiate or continue a nonjudicial foreclosure action on a property subject to judicial foreclosure and during the pendency of a stay pursuant to law.

This measure also repeals the requirement that the power of sale foreclosure process be stayed during the pendency of a circuit court foreclosure action.

The Hawaii Financial Services Association, Hawaii Council of Associations of Apartment Owners, and a concerned individual supported this measure. The Mortgage Bankers Association of Hawaii opposed this bill. The Department of Commerce and Consumer Affairs, Department of Commerce and Consumer Affairs Office of Consumer Protection, and Hawaii Bankers Association provided comments.

HB25 HD2 HSCR JUD HMS 2013-2414



Your Committee has amended this bill by:

- (1) Changing its effective date to January 1, 2100, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 25, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 25, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



