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PRESENTATION OF THE  
OFFICE OF CONSUMER PROTECTION

TO THE COMMITTEE ON JUDICIARY

THE TWENTY-SEVENTH  
REGULAR SESSION OF 2014

FEBRUARY 25, 2014  
2:00 PM

TESTIMONY OFFERING COMMENTS ON H.B. 2513, RELATING TO MORTGAGE FORECLOSURES.

TO THE HONORABLE KARL RHOADS, CHAIR,  
AND TO THE HONORABLE SHARON E. HAR, VICE CHAIR,  
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs, Office of Consumer Protection ("OCP") appreciates the opportunity to appear today and offer comments on H. B. 2513, Relating to Mortgage Foreclosures. My name is Bruce B. Kim and I am the Executive Director of OCP.

H. B. 2513 amends HRS §667-17 to specify that the attorney affirmation in judicial foreclosure ("affirmation") must be filed at the commencement of the action. The affirmation section was a part of Act 182, SLH 2012, which substantially amended HRS Chapter 667 at the recommendation of the Mortgage Foreclosure Task Force ("MFTF"),

after the enactment of Act 48, SLH 2011. However, the affirmation was not included among the recommendations of the MFTF.

At the time of the affirmation's enactment, there was lively debate as to how it would function and the requirements it would impose on foreclosing mortgagees' counsel. It is not immediately apparent from Standing Committee Report No. 626-12 of the expectations of the Committee on Consumer Protection & Commerce as to when the affirmation should be submitted. OCP believes that additional clarification regarding the timing of the affirmation would be appropriate, given the current lack of specificity, if the Legislature sees fit to do so.

Thank you for the opportunity to offer comments on H. B. 2513. I would be happy to answer any questions members of the committee may have.

Presentation To  
House Committee on Judiciary  
February 25, 2014 at 2:00pm  
State Capitol Conference Room 325

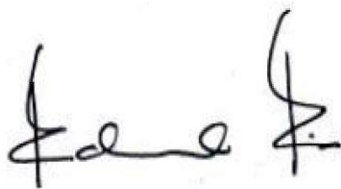
**Testimony in Support of House Bill 2513**

TO: The Honorable Karl Rhoads, Chair  
The Honorable Sharon E. Har, Vice Chair  
Members of the Committee

My name is Edward Pei and I am the Executive Director of the Hawaii Bankers Association (HBA). HBA is the trade association representing all FDIC insured depository institutions operating in the State of Hawaii.

The Hawaii Bankers Association supports the intent of HB 2513 to require attorney affirmations of the accuracy of documents to be submitted to the court at the time a mortgage foreclosure action is commenced. However, it is our understanding that this is already a standard practice, so perhaps this legislation may not be necessary.

Thank you for the opportunity to submit this testimony and please let us know if we can provide further information.



Edward Y. W. Pei  
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February 25, 2014

Rep. Karl Rhoads, Chair  
Rep. Sharon E. Har, Vice Chair  
and members of the House Committee on Judiciary  
Hawaii State Capitol  
Honolulu, Hawaii 96813

Re: **House Bill 2513 (Mortgage Foreclosures)**  
**Hearing Date/Time: Tuesday, February 25, 2014, 2:00 P.M.**

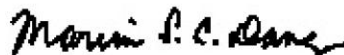
I am Marvin Dang, the attorney for the **Hawaii Financial Services Association** ("HFSA"). The HFSA is a trade association for Hawaii's consumer credit industry. Its members include Hawaii financial services loan companies (which make mortgage loans and other loans, and which are regulated by the Hawaii Commissioner of Financial Institutions), mortgage lenders, and financial institutions.

The HFSA **supports the intent of** this Bill as drafted.

The purpose of this Bill is to require that an affirmation be filed with the court at the time a mortgage foreclosure action is commenced.

The reason why we support the intent is because we understand that it will generally not be a problem for attorneys to file the attorney affirmation at the same time that they are filing the foreclosure complaint.

Thank you for considering our testimony.



MARVIN S.C. DANG  
Attorney for Hawaii Financial Services Association

(MSCD/hfsa)



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Testimony to the House Committee on Judiciary  
February 25, 2014

Testimony in support of the intent of HB 2513, Relating to Mortgage Foreclosures

To: The Honorable Karl Rhoads, Chair  
The Honorable Sharon Har, 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 75 Hawaii credit unions, representing approximately 804,000 credit union members across the state.

Approximately 60 credit unions offer mortgage loans in the State of Hawaii.

We are in support of the intent of HB 2513, which concerns the filing of the attorney affirmation in foreclosure actions. This would conform to existing practice.

Thank you for the opportunity to testify.