



P.O. Box 976
Honolulu, Hawaii 96808

January 29, 2013

Honorable Angus L.K. McKelvey
Honorable Derek S.K. Kawakami
Consumer Protection and Commerce
415 South Beretania Street
Honolulu, Hawaii 96813

Re: **HB 25/SUPPORT**

Dear Chair McKelvey, Vice-Chair Kawakami and Committee Members:

I am the vice-chair of the CAI Legislative Action Committee. CAI has the following comments in **support** of HB 25.

First, CAI recognizes that the timely pursuits of judicial foreclosures by senior mortgagees, like lenders, are in everyone's best interest. However, for various reasons there have been delays of many of these judicial or court foreclosures where the property is left vacant and not sold via a court ordered auction for years.

Second, while these judicial foreclosures are pending in the courts, and prior to the court's appointment of a foreclosure commissioner, these properties (including homes, townhomes and condominiums) fall into a state of disrepair and negatively impact the surrounding neighbors and the community as large.

One example of what can happen to a vacant unit while the judicial foreclosure is pending is depicted in the following picture:



[This unit was left vacant while the judicial foreclosure took years to resolve, and the association in this case had no idea of the condition of this unit.]

Currently non-judicial foreclosures by associations come to a grinding halt once the lender initiates a judicial foreclosure. If associations could proceed with the non-judicial foreclosures until the court appoints a foreclosure commissioner, then the associations would have the opportunity to move forward; conduct a non-judicial foreclosure on the unit; and then enter the unit and attempt to mitigate the damages for everyone's benefit.

Honorable Angus L.K. McKelvey
Honorable Derek S.K. Kawakami
January 29, 2013
Page 3 of 3

HB 25 is a step in the right direction and provides associations and their surrounding communities with a mechanism to address lender judicial foreclosures that are stalled.

CAI represents the association industry, and endorses this approach. We respectfully request the Committee to pass HB 25. Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'CP', written in a cursive style.

Christian P. Porter