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Testimony to the House Committee on Consumer Protection and Commerce  
March 14, 2013

Testimony in opposition to SB 1370 SD2, Relating to Mediation Affecting Judicial Foreclosure

To: The Honorable Angus McKelvey, Chair  
The Honorable Derek Kawakami, 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 78 Hawaii credit unions, representing approximately 804,000 credit union members across the state. We are in opposition to SB 1370 SD2, Relating to Mediation Affecting Judicial Foreclosure.

Approximately 60 of Hawaii's credit unions currently offer mortgages. Credit unions often have close relationships with their members, and will do everything within reason to help keep homeowners from losing their homes when a member's mortgage loan becomes delinquent. Credit unions begin working with their members as soon as a potential default becomes apparent and provide their members with alternatives to foreclosure as a matter of course. This may include loan modification, or other alternatives.

This bill would unnecessarily duplicate processes that will be required by Consumer Financial Protection Bureau loan servicing regulations that will go into effect on January 10, 2014. For that reason, we oppose this measure.

Thank you for the opportunity to provide comments.