

# SB 550

**Report Title:**

RELATING TO CIVIL RELIEF FOR MILITARY RESERVE  
COMPONENT PERSONNEL

**Description:**

Prevents any court or mortgagee from commencing a proceeding to enforce a lien or foreclosure action against real property owned by a member of a reserve component of any branch of the United States Armed Forces or member of the state military forces until that member of a reserve component or member has returned to the State for a period of one year.



February 02, 2013

**TESTIMONY IN SUPPORT OF SENATE BILL 550  
RELATING TO CIVIL RELIEF FOR MILITARY RESERVE COMPONENT  
PERSONNEL.**

**SENATE COMMITTEE ON PUBLIC SAFETY AND MILITARY**

**HEARING ON THURSDAY FEBRUARY 7<sup>TH</sup> AT 3:00 PM, IN CONFERENCE  
ROOM 224**

Aloha Chair Espero: The Oahu Veterans Council's delegates are honored to serve at the pleasure of our veterans and their families. On February 2<sup>nd</sup>, our committee reviewed and voted unanimously to support Senate Bill 550.

We are extremely grateful for your efforts to prevent any court or mortgagee from commencing a proceeding to enforce a lien or foreclosure action against real property owned by a member of a reserve component, of any branch of the United States Armed Forces, or member of the state military forces until that member of a reserve component or member has returned to the State for a period of one year.

In view of the fact that the referenced federal service member's civil relief protection act provides for a shorter grace period, we are concerned the one year period specified in this bill may be challenged,

Providing this legislative relief in state law is much appreciated by our military reserve and national guard component personnel. They serve selflessly, and ask for no more recognition than we would expect for ourselves.

The Oahu Veterans Council respectfully urges your committee to consider passing Senate Bill 550 with articulated concerns. Mahalo, for allowing us to testify, regarding this extremely important issue.

*Dennis Egge*

Dennis Egge; Chairman, Legislative Committee



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**SB550**

Submitted on: 2/3/2013

Testimony for PSM/CPN on Feb 5, 2013 15:45PM in Conference Room 224

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Marvin Dang/Jana Walden	Hawaii Financial Services Association	Oppose	No

# HAWAII FINANCIAL SERVICES ASSOCIATION

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February 5, 2013

Senator Will Espero, Chair  
and members of the Senate Committee on Public Safety, Intergovernmental and Military Affairs  
Senator Rosalyn H. Baker, Chair  
and members of the Senate Committee on Commerce and Consumer Protection  
Hawaii State Capitol  
Honolulu, Hawaii 96813

Re: **Senate Bill 550 (Civil Relief for Military Reserve Component Personnel)**  
**Hearing Date/Time: Tuesday, February 5, 2013, 3:45 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 **opposes this Bill** for the reasons stated below.

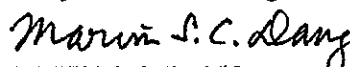
The purpose of this Bill is to prevent any court or mortgagee from commencing a proceeding to enforce a lien or foreclosure action against real property owned by a member of a reserve component of any branch of the United States Armed Forces or member of the state military forces until that member of a reserve component or member has returned to the State for a period of one year.

The federal Servicemembers Civil Relief Act ("SCRA"), 50 U.S.C.Appx. §§ 501 *et seq.*, protects servicemembers who are in military service and their dependents. For members of the Army, Navy, Air Force, Marine Corps, or Coast Guard, the term "military service" means active duty, as defined in section 10 U.S.C. § 101(d)(1). For a member of the National Guard, "military service" also includes service under a call to active service authorized by the President or the Secretary of Defense for a period of more than thirty consecutive days under section 32 U.S.C. § 502(f), for purposes of responding to a national emergency declared by the President and supported by federal funds. The SCRA provides protections in areas such as mortgage foreclosures, civil judicial proceedings, eviction, rental agreements, security deposits, prepaid rent, installment contracts, credit card interest rates, mortgage interest rates, automobile leases, life insurance, health insurance, and income tax payments.

Hawaii has a "Civil Relief for State Military Forces" law in Chapter 657D, Hawaii Revised Statutes. "Military services" in Hawaii's Civil Relief law means service on state active duty in any of the "state military forces". Under HRS Sec. 124A-1, "state military forces" means the National Guard, the organized naval militia of Hawaii, and any other military force organized under Hawaii law. Hawaii's Civil Relief law provides protections in areas such as mortgages, liens, default judgments, rent, assignments, leases, insurance, and taxes.

Because financial institutions value their relationship with members of the military, including those in the reserves and in the National Guard, the institutions will work with individuals who have problems paying their loans. As mentioned above, existing federal and Hawaii laws provide separate protections. There doesn't appear to be a compelling reason at this time to expand Hawaii protections beyond what is in the SCRA.

Accordingly, we ask you hold this Bill. Thank you for considering our testimony.



MARVIN S.C. DANG

Attorney for Hawaii Financial Services Association

**SB550**

Submitted on: 2/4/2013

Testimony for PSM/CPN on Feb 5, 2013 15:45PM in Conference Room 224

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Harold Alejandro	Individual	Support	No

Comments: To: COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL AND MILITARY AFFAIRS and the Honorable Sen Will Espero, Chair and Sen Rosalyn H. Baker, Vice Chair. Please consider passing this worthy measure from seizure of their property and mortgages while away serving his/her country. Aloha and God Bless... Hal Alejandro, VFW Post 970 Legislative Liaison / Jr. Vice Commander Ret Vet OIF/OEF