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PRESENTATION OF THE
OFFICE OF CONSUMER PROTECTION

TO THE SENATE COMMITTEE ON JUDICIARY AND LABOR

THE TWENTY-SEVENTH LEGISLATURE
REGULAR SESSION OF 2013

WEDNESDAY, FEBRUARY 20, 2013
10:00 A.M.

TESTIMONY ON SENATE BILL NO. 960, SD 1
RELATING TO FORECLOSURES.

TO THE HONORABLE CLAYTON HEE, CHAIR,
AND TO THE HONORABLE MAILE S.L. SHIMABUKURO, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("DCCA"), Office of Consumer Protection ("OCP") appreciates the opportunity to appear today and testify on S.B. 960, SD1, Relating to Foreclosures. My name is Bruce B. Kim and I am the Executive Director of OCP.

OCP supports S.B. 960, SD1. SD1 mandates that a notice of postponement or cancellation of sale be given to a homeowner by the foreclosing mortgagee in Part IA judicial foreclosures in the event that the foreclosure sale is either postponed or cancelled by the foreclosing mortgagee. The changes track existing notice

requirements applicable to Part II nonjudicial foreclosures requiring that the foreclosing mortgagee give notice of the postponement or cancellation of a foreclosure sale, including a requirement that such notice be published. See, HRS § 667-28. SD1 requires that notice of the cancellation or postponement of be given to the mortgagor and the borrower among others, including prior or junior creditors who have a recorded lien on the mortgaged property before the commencement of the foreclosure action. It also requires that the notice of postponement or cancellation of public sale be published once in the format described in HRS § 667-20. In the event that a sale is postponed four consecutive times, the foreclosing mortgagee must follow all of the public notice of public sale requirements required by HRS § 667-20.

As indicated in SD1, the intent of the measure is to provide homeowners with timely notice of the cancellation or postponement of the sale and help them avoid severe financial penalties which could result from a cancelled foreclosure sale which they knew nothing about. SD1 addresses real concerns that homeowners will abandon their homes after receiving the notice of a foreclosure sale even though the sale is subsequently cancelled or postponed by the foreclosing mortgagee multiple times. SD1 requires that homeowners be given timely notice of a postponement or cancellation of the sale to mitigate this serious problem. It also affords other interested parties, including the State director of taxation and the director of finance of the county in which the mortgaged property is located, with timely notice of the postponement or cancellation of sale.

Testimony on Senate Bill No. 960, SD 1
February 20, 2013
Page 3

Thank you for the opportunity to submit testimony on S.B. 960, SD1. I would be happy to answer any questions members of the committee may have.

hee2 - Kathleen

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 16, 2013 11:15 AM
To: JDLTestimony
Cc: d289c278@opayq.com
Subject: *Submitted testimony for SB960 on Feb 20, 2013 10:00AM*

SB960

Submitted on: 2/16/2013

Testimony for JDL on Feb 20, 2013 10:00AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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hee2 - Kathleen

From: mailinglist@capitol.hawaii.gov
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Cc: d8217320@opayq.com
Subject: *Submitted testimony for SB960 on Feb 20, 2013 10:00AM*

SB960

Submitted on: 2/15/2013

Testimony for JDL on Feb 20, 2013 10:00AM in Conference Room 016

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Troy Abraham	Individual	Support	No

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