

Honolulu, Hawaii
February 13, 2014

RE: H.B. No. 2275

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2275 entitled:

"A BILL FOR AN ACT RELATING TO MORTGAGE RESCUE FRAUD,"

begs leave to report as follows:

The purpose of this measure is to amend the definition of "distressed property consultant" in section 480E-2, Hawaii Revised Statutes, by:

- (1) Expanding the definition to include persons who provide, attempt to perform or provide, arrange for others to perform or provide, assist others to perform or provide, or offer to provide certain mortgage rescue services; and
- (2) Clarifying that the exception of attorneys from the definition of "distressed property consultant" applies to attorneys who are licensed to practice law in Hawaii.

The Department of Commerce and Consumer Affairs, Office of Consumer Protection; the Hawaii Bankers Association; and one individual testified in support of the measure.

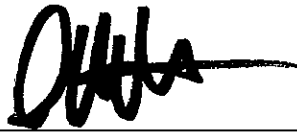
Your Committee finds that there have been instances in which persons have attempted to evade the requirements of the Mortgage Rescue Fraud Prevention Act by acting as an agent of another person or entity, or utilizing the services of out-of-state attorneys, in providing services to distressed property owners.



Your Committee believes that by clarifying the definition of "distress property consultant," this measure will enable the Attorney General and the Office of Consumer Protection to prosecute violations of the Mortgage Rescue Fraud Prevention Act more quickly and to obtain judgments with less expenditure of resources.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2275 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



