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PRESENTATION OF THE
OFFICE OF CONSUMER PROTECTION

TO THE COMMITTEE ON COMMERCE & CONSUMER PROTECTION

THE TWENTY-SEVENTH
REGULAR SESSION OF 2014

FEBRUARY 4, 2014
9:00 AM

TESTIMONY IN SUPPORT OF S. B. 2482, RELATING TO ASSOCIATION
ALTERNATIVE POWER OF SALE FORECLOSURE PROCESS.

TO THE HONORABLE ROSALYN H. BAKER, CHAIR,
AND TO THE HONORABLE BRIAN T. TANIGUCHI, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs, Office of Consumer Protection ("OCP") appreciates the opportunity to appear today in support of S. B. 2482, Relating to Condominium Associations. My name is Bruce B. Kim and I am the Executive Director of OCP.

S. B. 2482 clarifies the service requirements of HRS §667-92 to allow service by publication for parties other than unit owners.

As a member of the Mortgage Foreclosure Task Force ("MFTF"), and as evidenced by the 2012 report of the MFTF, it was and is clear that the intent of Part VI of HRS

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Chapter 667 (as enacted by Act 182, SLH 2012) was to provide associations with a means to foreclose nonjudicially. While the possibility of a "missing or defunct lender" was never raised in the MFTF, it was definitely the intent of the MFTF to provide associations with a separate alternate power of sale foreclosure process to enable them to remedy assessment delinquencies without having to resort to a HRS §667-1.5 judicial foreclosure. If the Judiciary has interpreted the lack of enabling language for other parties for eligibility for service by publication, that may conflict with the intent of the MFTF recommendations.

Thank you for the opportunity to support S. B. 2482. I would be happy to answer any questions members of the committee may have.