

Honolulu, Hawaii

APR 08 2016

RE: H.B. No. 2326
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred H.B. No. 2326, H.D. 1, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to make numerous amendments to Hawaii's Mortgage Rescue Fraud Prevention Act, for consistency with the federal Mortgage Assistance Relief Services Rule.

Your Committee received testimony in support of this measure from the Office of Consumer Affairs of the Department of Commerce and Consumer Affairs.

Your Committee finds that there was no federal counterpart to Hawaii's Mortgage Rescue Fraud Prevention Act, which protects consumers from mortgage rescue scams, until 2010, when the Federal Trade Commission adopted the Mortgage Assistance Relief Services Rule. Your Committee further finds that although state law and federal regulation are designed to protect consumers from abusive mortgage relief practices, they take different approaches to identify consumers who may be in need of protection. For example, Hawaii's law focuses on properties already in distress, while the federal regulation focuses more broadly on the nature of mortgage assistance rescue services being offered.



Your Committee additionally finds that this measure resolves existing conflicts and inconsistencies between state law and federal regulations and will enable enforcement agencies to provide increased protection for vulnerable Hawaii homeowners who may be targeted by mortgage rescue scams.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2326, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

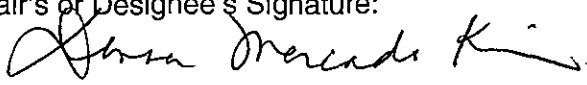
Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,


GILBERT S.C. KEITH-AGANAN, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* HB2326 HDI SDI	Committee Referral: CPH, JDL	Date: 3-31-16		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	✓			
SHIMABUKURO, Maile S.L. (VC)				✓
GABBARD, Mike	✓			
KAHELE, Kaiali'i				✓
KIM, Donna Mercado	✓			
THIELEN, Laura H.				✓
SLOM, Sam	✓			
TOTAL	4			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes