Honolulu, Hawaii

March 24

2017

RE: S.B. No. 396

S.D. 1 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committees on Intrastate Commerce and Consumer Protection & Commerce, to which was referred S.B. No. 396, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SECURITY INTERESTS IN REAL PROPERTY,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Require a mortgagee or record assignee to provide to a mortgagor or borrower, upon full satisfaction of a mortgage and discharge of the secured debt, a reassignment or release of security interests in leases and rents that served as additional security for the mortgage;
- (2) Authorize title insurers or underwritten title companies to reassign or release mortgagees' security interests in leases and rents on behalf of the mortgagee or record assignee under certain conditions; and
- (3) Authorize certain entities to institute an action in any circuit court to obtain the release or reassignment

instrument in the absence of compliance of a mortgagee or record assignee.

The Department of Land and Natural Resources, Hawaii Association of REALTORS, Title Guaranty of Hawaii, Inc., and Mortgage Bankers Association of Hawaii supported this measure. Hawaii Financial Services Association offered comments.

Your Committees have amended this measure by:

- (1) Changing its effective date to July 1, 2090, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Intrastate Commerce and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 396, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 396, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committees on Intrastate Commerce and Consumer Protection & Commerce,

ROY M. TAKUMI, Chair

TAKASHI OHNO, Chair

SB396 HD1 HSCR IAC-CPC HMS 2017-3173

State of Hawaii House of Representatives The Twenty-ninth Legislature

HSCR 1298

Record of Votes of the Committee on Intrastate Commerce

Bill/Resolution No.:	Committee Referral:						
☐ The committee is reconsidering its previous decision on the measure.							
The recommendation is to: □ Pass, unamended (as is) □ Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)							
IAC Members	Ayes	Ayes (WR)	Nays	Excused			
1. OHNO, Takashi (C)	<u> </u>			20 375. (25 55), 102 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7			
2. CHOY, Isaac W. (VC)							
3. CACHOLA, Romy M.							
4. ITO, Ken							
. 110,1201							
5. ONISHI, Richard H.K.		Sanidan Sano S. (1998) data dai Villadan arang a S. (1994)	and the research has seen on the Salah of Armedia B				
6. TOKIOKA, James Kunane							
7. WOODSON, Justin H.							
7. WOODSON, Justin II.							
8. WARD, Gene			at published and an experience of the contract				

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TOTAL (8)	6			2			
The recommendation is: Adopted If joint referral, did not support recommendation. Committee acronym(s)							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO							

State of Hawaii House of Representatives The Twenty-ninth Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: 58 396 501	Committee Referral:	IN Date:	03/21	117			
☐ The committee is reconsidering its previous decision on the measure.							
The recommendation is to: □ Pass, unamended (as is) □ Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)							
CPC Members	Ayes	Ayes (WR)	Nays	Excused			
1. TAKUMI, Roy M. (C)							
2. ICHIYAMA, Linda (VC)			100 100 to 100 t	1			
3. AQUINO, Henry J.C.			·				
4. ITO, Ken							
5. SAY, Calvin K.Y.				· ·			
6. TAKAYAMA, Gregg							
7. TODD, Chris							
8. YAMANE, Ryan I.	✓						
9. FUKUMOTO, Beth		·					
	· ·						
		·					
TOTAL (9)	6	0	0	3			
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO							