

STAND. COM. REP. NO.

1298

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

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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



