

STAND. COM. REP. NO.

1678

Honolulu, Hawaii

April 6, 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 Committee on Finance, to which was referred S.B. No. 396, S.D. 1, H.D. 1, entitled:

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

begs 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 the security interests in leases or 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 appropriate release or reassignment instrument in the absence of compliance of a mortgagee or record assignee.

SB396 HD1 HSCR FIN HMS 2017-3448



The Department of Land and Natural Resources, Title Guaranty of Hawaii, Inc., First Hawaii Title Corporation, dba Nextitle, a Title & Escrow Co., Hawaii Financial Services Association, and an individual supported this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 396, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



