

JAN 24 2018

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# A BILL FOR AN ACT

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RELATING TO FORECLOSURE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1.   (a)   The department of commerce and consumer  
2   affairs shall conduct a study of the effectiveness and  
3   enforcement issues relating to the State's foreclosure statutes  
4   under chapter 667, Hawaii Revised Statutes, including but not  
5   limited to:

6           (1)   The publication of notices of public sales of  
7               foreclosed properties;

8           (2)   Violations of notarial law;

9           (3)   The time periods provided to homeowners to cure any  
10          default or alleged default; and

11          (4)   The role of the bureau of conveyances in reviewing,  
12          processing, handling, and distributing conveyance  
13          documents.

14          (b)   In addition, the study shall determine the provisions  
15   to be included in a proposed homeowners' bill of rights,  
16   designed to empower and protect homeowners subject to potential



1 foreclosure. The proposed homeowners' bill of rights shall  
2 include but not be limited to protections for homeowners from:

3 (1) Unsafe and unsound mortgage servicing practices as  
4 identified by the Interagency Review of Foreclosure  
5 Policies and Practices (2011) conducted by the Federal  
6 Reserve System, the Office of the Comptroller of the  
7 Currency, the Federal Deposit Insurance Corporation,  
8 and the Office of Thrift Supervision;

9 (2) The practice of dual tracking, which allows mortgagees  
10 to initiate or continue foreclosure-related actions  
11 against homeowners even while the homeowner's dispute  
12 resolution or loss mitigation application is pending;

13 (3) Force-placed insurance, where a mortgagee obtains  
14 insurance when the borrower fails to maintain or renew  
15 insurance of a mortgaged property as required of the  
16 borrower under the terms of a mortgage agreement;

17 (4) Trespass by real estate brokers, photographers, and  
18 buyers on foreclosed or potentially foreclosed  
19 properties;



(5) Harassment by real estate brokers and potential buyers seeking foreclosed or potentially foreclosed properties;

(6) Potential buyers making escrow deposits on properties involved in pending or unresolved foreclosure litigation;

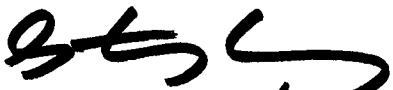
(7) Fraudulent or wrongful notices of default and intention to foreclose; and

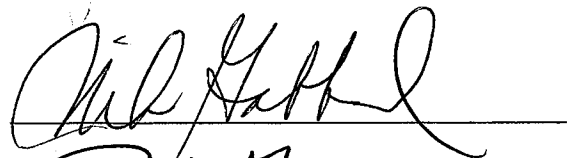
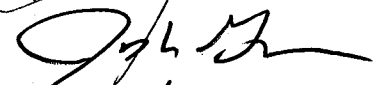
(8) Violations of due process arising from a mortgagee's failure to provide timely and adequate information to homeowners subject to foreclosure.

(c) The department of commerce and consumer affairs shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2019.

SECTION 2. This Act shall take effect upon its approval.

INTRODUCED BY:

  
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S.B. NO. **2927**

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# S.B. NO. 2927

**Report Title:**

Foreclosure; Homeowners Bill of Rights; Department of Commerce and Consumer Affairs; Study

**Description:**

Requires the Department of Commerce and Consumer Affairs to conduct a study of the effectiveness and enforcement issues relating to the State's foreclosure statutes under chapter 667, Hawaii Revised Statutes. Requires the Department of Commerce and Consumer Affairs to determine the provisions to be included in a proposed homeowners' bill of rights. Requires the Department of Commerce and Consumer Affairs to submit a report of its findings and recommendations to the legislature no later than twenty days prior to the convening of the regular session of 2019.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

