
HOUSE CONCURRENT RESOLUTION

REQUESTING DISCLOSURE OF POTENTIAL LACK OF TITLE INSURANCE TO
PURCHASERS OF CERTAIN REAL PROPERTY AND CREATION OF A TASK
FORCE ON TITLE INSURANCE.

1 WHEREAS, nonjudicial foreclosures are likely to increase as
2 an expedited way to collect assessments from non-paying
3 condominium owners; and
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5 WHEREAS, increases in real property tax assessments and
6 increased enforcement of restrictions regarding vacation rentals
7 will likely increase real property tax delinquency sales; and
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9 WHEREAS, buyers in nonjudicial foreclosures and in real
10 property tax delinquency sales may not be guaranteed title
11 insurance; and
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13 WHEREAS, buyers at times have incurred substantial expenses
14 in making purchased properties habitable or sellable and are not
15 warned by the foreclosing seller or the relevant county that
16 title insurance may not be available to them; and
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18 WHEREAS, the lack of title insurance may prevent re-sale of
19 the foreclosed property to recoup the buyer's investment or
20 acquisition of a mortgage to finance further improvements to the
21 property; and thus, without a means to re-invest, the property
22 will likely fall into further disrepair; and
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24 WHEREAS, when the issue of the lack of title insurance was
25 raised to the panel at the real property and financial services
26 seminar at the 2017 Hawaii State Bar convention, no answer to
27 this dilemma was made available by attorneys practicing in the
28 area of real property law; now, therefore,
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1 BE IT RESOLVED by the House of Representatives of the
 2 Thirtieth Legislature of the State of Hawaii, Regular Session of
 3 2020, the Senate concurring, that the various counties are
 4 requested to notify potential buyers at real property tax sales
 5 of the potential lack of title insurance, which may prevent
 6 future sale or mortgages on those properties; and

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 8 BE IT FURTHER RESOLVED that the President of the Senate and
 9 the Speaker of the House of Representatives are requested to
 10 convene a working group to review problems related to the
 11 potential lack of title insurance and to comprise:

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- 13 (1) The Chair or designee of the Senate Committee on
- 14 Commerce, Consumer Protection, and Health;
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- 16 (2) The Chair or designee of the House of Representatives
- 17 Committee on Consumer Protection and Commerce;
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- 19 (3) The Chair or designee of the Senate Committee on
- 20 Judiciary;
- 21
- 22 (4) The Chair or designee of the House of Representatives
- 23 Committee on Judiciary; and
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- 25 (5) A member of the Hawaii State Bar Association section
- 26 on either collection law or real property and
- 27 financial services, to be appointed jointly by the
- 28 President of the Senate and the Speaker of the House
- 29 of Representatives; and
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31 BE IT FURTHER RESOLVED that the working group is requested
 32 to report its findings and recommendations, including any
 33 proposed legislation, to the Legislature not less than twenty
 34 days prior to the convening of the Regular Session of 2021; and

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 36 BE IT FURTHER RESOLVED that certified copies of this
 37 Concurrent Resolution be transmitted to the mayor of each county
 38 and President of the Hawaii State Bar Association.

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