

Honolulu, Hawaii  
, 2022

**MAR 03**

RE: H.B. No. 2114  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2114 entitled:

"A BILL FOR AN ACT RELATING TO MORTGAGE RESCUE FRAUD,"

begs leave to report as follows:

The purpose of this measure is to amend the Mortgage Rescue Fraud Prevention Act by:

- (1) Deleting certain exemptions to the definition of "distressed property consultant" in the State's Mortgage Rescue Fraud Prevention Act that are not in the federal Mortgage Assistance Relief Services Rule; and
- (2) Correcting a typographical error in the definition of "mortgage assistance relief service."

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs. Your Committee received testimony in opposition to this measure from the Hawaii Bankers Association. Your Committee received comments on this measure from the Hawai'i Association of REALTORS and one individual.

Your Committee finds that, in 2008, the State enacted the Mortgage Rescue Fraud Prevention Act (MRFPA) to protect consumers



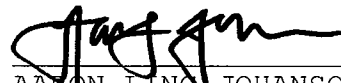
from mortgage rescue scams. There was no federal counterpart to the MRFPA until the enactment of the Federal Trade Commission's Mortgage Assistance Relief Services Rule (MARS Rule) in December 2010. Both the MRFPA and MARS Rule are designed to protect consumers from abusive mortgage relief practices, but take distinctly different approaches to identify the persons from whom consumers should be protected. This measure takes the unique protection provisions of the MARS Rule and combines and reconciles those with the protection provisions already present and unique to the MRFPA.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2114, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2114, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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AARON LING JOHANSON, Chair



