STAND. COM. REP. NO. 767 -22

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

2022-1816 HB2114 HD1 HSCR HMSO 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,

AARON LING JOHANSON, Chair

State of Hawaii House of Representatives The Thirty-first Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 2114	Committee Referral:		Date: 2-24-22		
☐ The committee is reconsidering its previous decision on the measure.					
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)					
CPC Members	Ayes	Ayes (WR)	Nays	Excused	
1. JOHANSON, Aaron Ling (C)					
2. KITAGAWA, Lisa (VC)					
2 AOUDIO Harris LC					
3. AQUINO, Henry J.C.					
4. HAR, Sharon E.					
5. HASHEM, Mark J.		1905-1700 (AMPRICA STREET & AMPRICA STREET STREET		And the largest of the latest of the second	
6. KONG, Sam Satoru					
7. MIZUNO, John M.	<u> </u>				
8. MORIKAWA, Dee					
9. ONISHI, Richard H.K.	./		148		
9. ONISHI, Kicharu H.K.					
10. TARNAS, David A.	V		<u> </u>	garan an Azara mazanta (M. Norra en el Alband	
11. MATSUMOTO, Lauren	./			A STATE OF THE STA	
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TOTAL (11)	11	v	O	0	
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					