

STAND. COM. REP. NO.

2734

Honolulu, Hawaii

**MAR 03 2022**

RE: S.B. No. 3082  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 3082 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to amend the definitions of "distressed property consultant" and "mortgage assistance relief service" in section 480E-2, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and one individual. 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.

Your Committee finds that, when the State enacted its Mortgage Rescue Fraud Prevention Act in 2008, the federal government had not yet enacted legislation designed to protect consumers from mortgage rescue scams. In 2010, the Federal Trade Commission's Mortgage Assistance Relief Services Rule was enacted. As a result, existing state law provides exemptions that do not exist in federal law. Accordingly, the protections these exemptions offer under state law is illusory, as anyone engaged in wrongdoing can be sued in federal court under the federal law.

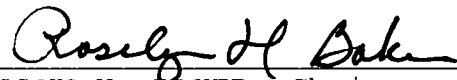


However, the inconsistencies remaining between state and federal law may unnecessarily cause confusion in determining how the law should be interpreted. This measure is therefore necessary to take the unique protections of the federal law and combine and reconcile those with the protection provisions in existing state law.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3082, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3082, S.D. 1, and be placed on the calendar for Third Reading.

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



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ROSALYN H. BAKER, Chair



