

TESTIMONY IN SUPPORT OF SB 3323

TO: Chair San Buenaventura, Vice-Chair Ihara, & Committee Members

FROM: Nikos Leverenz
Grants & Advancement Manager

DATE: February 3, 2022 (3:00 PM)

Hawai'i Health & Harm Reduction Center (HHRC) **supports** SB 3323, which increases exemption amounts from attachment or execution of real property and a motor vehicle. The bill also exempts one month of child support and spousal support from attachment or execution.

As noted in the bill findings, this bill will allow workers and families who are facing short-term economic hardship to retain assets critical to their longer-term economic outlook. This bill increases amounts that were placed in statute in 1978.

The Legislature should endeavor to update these types of statutory thresholds more regularly, particularly those that impact under-resourced persons. For example, the standard of need to determine eligibility for general assistance is still based upon the 2006 federal poverty level. See HRS Section 346-53(a).

HHRC's mission is to reduce harm, promote health, create wellness, and fight stigma in Hawaii and the Pacific. We work with many individuals impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems, including those related to substance use and mental health conditions. Many of our program clients and participants have also been deeply impacted by trauma, including histories of physical, sexual, and psychological abuse. HHRC Executive Director Heather Lusk currently serves as Board Chair of [Partners in Care O'ahu](#), a planning, coordinating, and advocacy alliance that develops recommendations for programs and services to fill needs within O'ahu's continuum of care for homeless persons.

Thank you for the opportunity to testify on this measure.

SB-3323

Submitted on: 2/2/2022 12:50:01 PM

Testimony for HMS on 2/3/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Paul Normann	Testifying for Neighborhood Place of Puna	Support	No

Comments:

Neighborhood Place of Puna strongly supports SB3323. As a community we should do everything possible to ensure that households and families do not get pushed into crushing and inescapable poverty by dept collectors and creditors.

Paul Normann, Executive Director

SB-3323

Submitted on: 2/2/2022 1:20:52 PM

Testimony for HMS on 2/3/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Patrick F. Hurney	Testifying for Habitat for Humanity Hawaii Island, Inc.	Support	No

Comments:

Aloha,

Please support this bill to protect families in need especially in these difficult times.

Mahalo,

Patrick F. Hurney

Habitat for Humanity Hawaii Island

HAWAII DEBT SOLUTIONS

4 Waterfront Plaza

500 Ala Moana Boulevard, Suite 480

Honolulu, Hawaii 96813

808.468.7000

www.hawaiidebtsolutions.com

TESTIMONY ON SB 3323

February 3, 2022

3:00 p.m.

COMMITTEE ON HUMAN SERVICES

Senator Joy A. San Buenaventura, Chair

Senator Les Ihara, Jr., Vice Chair

And Members of the Committee

I am testifying in support of SB 3323. However, I would like to recommend some revisions in section 2.

The section refers to an interest in real property “of a fair market value not exceeding \$100,000...” I’m certain you meant to refer to an owner’s equity interest not a property’s value. Otherwise, the result would be that any piece of real estate with a value over \$100,000 would not qualify for an exemption which, in Hawaii, would mean that no property would qualify.

I also suggest you retain the sentence that begins with “The fair market value...” but revise it to ensure that the equity interest is what is exempted. Also, since there are no longer two options, you should remove the reference to “paragraph (1) or (2).”

For your convenience, below I have provided a modified version of the language for your consideration:

An interest in real property in the State of Hawaii, including properties under the Department of Hawaiian Home Lands, with an amount of equity not exceeding \$100,000, that is owned by the defendant, shall be exempt from attachment or execution. The fair market value of the equity interest exempted shall be determined by appraisal and shall be an interest which is over and above all liens and encumbrances on the real property recorded prior to the lien under which attachment or execution is to be made.

The homestead exemption needs to be raised and/or indexed to recover for inflation. The original legislative intent of the current exemption amount has been eroded by time. Even if the exemption merely kept up with inflation, the \$20,000 exemption that was enacted in 1978 would be worth over \$85,000 today. This does not even consider that right before the legislation’s enactment, the average cost of a single-family home on Oahu was approximately \$100,000. The average cost today is

over ten times that figure, a startling difference and a stark reminder of the lack of protection for long term Hawaii homeowners.

Thank you for your time.

Regards,

A handwritten signature in black ink, appearing to read 'Martin A. Berger'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Martin A. Berger
Attorney at Law

**Barbara L. Franklin, Esq.,
Attorney at Law**

45-3438 Mamane Street, Building 2
P.O. Box 9
Honoka`a, HI 96727
(808) 775-0530
(808) 775-1040 Facsimile
barbara@island-law.com
www.island-law.com

February 1, 2022

TESTIMONY
SB 3323
February 3, 2022
3:00 p.m.

COMMITTEE ON HUMAN SERVICES

Senator Joy A. San Buenaventura, Chair
Senator Les Ihara, Jr., Vice Chair
And Members of the Committee

I am testifying in support of SB 3323; however, I would like to see a change in the language in SB 3323 in section 2 be revised. It currently reads:

SECTION 2. Section 651-92, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) ~~Real property shall be exempt from attachment or execution as follows:~~

(1) ~~An interest in [one parcel of] real property in the State of Hawaii, [of a fair market value not exceeding \$30,000, owned by the defendant who is either the head of a family or an individual sixty-five years of age or older.~~

(2) ~~An interest in one parcel of real property in the State of Hawaii, of a fair market value not exceeding \$20,000, owned by the defendant who is a person.~~

~~The fair market value of the interest exempted in paragraph (1) or (2) shall be determined by appraisal and shall be an interest which is over and above all liens and encumbrances on the real property recorded prior to the lien under which attachment or execution is to be made.] including properties under the department of Hawaiian home lands, of a fair market value not exceeding \$100,000, that is owed by the defendant, shall be exempt from attachment or execution. Not more than one exemption shall be claimed on any one parcel of real property even though more than one [person] individual residing on such real property may otherwise be entitled to an exemption.~~

Any claim of exemption under this section made before ~~[May 27, 1976,] July 1, 2022~~, shall be deemed to be amended on ~~[May 27, 1976,] July 1, 2022~~ by ~~[increasing] amending~~ the exemption to the amount permitted by this section on ~~[May 27, 1976,] July 1, 2022~~, to the extent that ~~[such increase] the~~

amendment does not impair or defeat the right of any creditor who has executed upon the real property prior to ~~[May 27, 1976.] July 1, 2022.~~"

As I read it, if the real property has a fair market value is \$120,000 then the entire property is not exempt. It does not say that if you have equity of \$100,000 then that equity would be exempt. The sentence reading "*The fair market value of the interest exempted in [paragraph (1) or (2)] shall be determined by appraisal and shall be an interest which is over and above all liens and encumbrances on the real property recorded prior to the lien under which attachment or execution is to be made. . .*" should be left in the language to assure that the amount exempt is the equity available to the real property owner, not just their interest in the real property. Since the amount of the exemption is not a choice between two options the reference to "paragraph 1 and 2" should remain excluded.

Alternatively, the statute should be amended to read: "(a) An interest in real property in the State of Hawaii, including properties under the department of Hawaiian home lands, with an amount of equity not exceeding \$100,000, that is owned by the defendant, shall be exempt from attachment or execution. The fair market value of the equity interest exempted shall be determined by appraisal and shall be an interest which is over and above all liens and encumbrances on the real property recorded prior to the lien under which attachment or execution is to be made."

The language "an interest in real property" generally means the entirety of the legal description; however, in Hawaii, the existence of a mortgage is only an encumbrance or lien on the real property. The owner's interest is complete, but subject to the encumbrance. It is necessary to distinguish the equity interest from the title interest by included the "determined by" language to assure that properties worth more than \$100,000.00 are allowed to claim the equity as exempt up to \$100,000.00.

However, even \$100,000.00 is not enough to save a home from execution that an elderly couple have spent their lives paying off the mortgage to give themselves a place to live and an inheritance for their children. Let me explain.

I am a bankruptcy lawyer and have seen the effect of the economy on individual lives during the past more than thirty years. Exemptions are a key safety net for the middle class and the working poor. It is no secret that the middle class is shrinking. A living wage is out of reach for many in service industries and agriculture. The real question to ask is whether the legislature can continue to support a population with greater and greater needs for government benefits or should the legislature empower individuals to build their own safety net.

In Hawaii, a creditor that sues a consumer and wins a judgment can seize income, personal property, bank accounts, and lien real property including a home that is essential to the basic economic well-being of the debtor and the debtor's family. Hawaii has dangerous gaps in exemptions and the legislature has not updated the exemptions for over 40 years. Instead of shielding essential assets, Hawaii is fertile ground for creditors to conduct abusive collection practices.

Committee on Human Services

SB 3323

February 1, 2022

Page 3 of 4

Their creditors know that they can legally threaten to take assets that the person needs to make a living, a car, wages, or even a house. We all know that a creditor can take assets that you knowingly gave as collateral for the loan, such as a car, but should they be able to also take other assets? Even the possibility of taking other assets, to the debtor who lacks the knowledge to protect themselves, is enough to cause that person to liquidate assets they will need in the future, their retirement funds, 401Ks, or other assets, because they are desperately trying to pay their bills.

Exemptions allow a debtor to keep certain assets out of the reach of creditors. Depending on the amount of the exemption and the value of their assets, under the current law, creditors are entitled to those non-exempt assets. Usually, that scenario plays out in a bankruptcy case where most non-exempt assets are on the table and available for the trustee to liquidate for the benefit of creditors.

The original legislative intent has been thwarted by the passage of time. According to the U.S. Department of Labor, Bureau of Labor Statistics, \$20,000 in 1978, when the current homestead exemption, Haw. Rev. Stat. § 651-92, became effective the dollar amounts were equivalent to \$70,614 in 2012, more than triple the amount currently in the statute. Since 2012 the cost of living has risen exponentially. Clearly the homestead exemptions need to be raised and/or indexed to recover for inflation.

The financial stability of a family or an individual is often dependent on the ability to earn compensation over a long period of time not only to build a household, a family, and a safety net, but to provide for the next generation to be self-sufficient and to provide for one's elderhood without being a burden on government benefits.

The fallacy of debtors hiding assets from creditors and amassing debt in anticipation that creditors cannot reach their assets, is just that, a doomsday reading of the language of this bill. For the large majority of consumers, if a person has a credit score that is low, they will not be entitled to easy credit and will not be able to afford luxury goods, cars, gold, etc., let alone amass a large amount of debt. If a person has a high credit score they are either paying their debts as they come due or paying the minimum amount due at a relatively high interest rate. Creditors can easily cut credit lines, reduce available credit, or escalate the interest rates for risky borrowers. Persons with low credit scores must pay their bills regularly to climb that credit score ladder to even buy a house, let alone an affordable car.

I have had several bankruptcy cases where the elderly debtors had some equity in their house. They are living on social security and meager retirements, but not enough to pay all of their bills. If their house is worth \$180,000 and they owe \$90,000, they would only get \$30,000 homestead exemption and a trustee would get the rest to pay creditors. Can they buy another house for \$30,000? How long could they rent before those funds are gone? Maybe for two years they could rent if they don't need the money to replace the car or have medical treatment then they would be relying on government benefits.

Homestead exemptions are not the sole source of asset protection. For our most vulnerable populations, asset protection is an elusive goal. Asset protection already exist for consumers and business owners who own their real property as tenants by the entirety and do not have joint debts, regardless of whether the real property is a residence or not. The protection against judgment liens is extended to those couples who are entitled to take title as tenants by the entirety prior to the extension of credit to one of the couple, unless they voluntarily agree to liability. Protections already exist for certain corporate, partnership and limited liability company assets that cannot be reached by creditors of one of the shareholders, partners, or members of an entity owned by more than one interest holder. Those persons who can avail themselves of asset protections through planning and other legal shields, unlike most unsophisticated home owners, are more likely to have higher personal liability in a financial crises because they planned for protections.

Currently individual consumers who have \$30,001 or more in equity in their homes are not protected, no matter how long they have owned the home and no matter what financial disaster has occurred. Death of a spouse, temporary or permanent disability, job losses, taking on elderly family members without means to support themselves, can cause catastrophic financial debts. Creditor action can push debtors into liquidating assets needed for long term stability unless the debtors file for bankruptcy to exempt certain assets.

There are sufficient creditor remedies in the statutes, both federal bankruptcy laws and state fraudulent conveyance laws to protect creditors from dishonest debtors. Debtors who binge on credit before filing bankruptcy are not likely to receive a discharge because aggressive actions by creditors or the United States Trustee Program to dismiss such cases resulting in stopping the entry of a discharge. Ponzi schemes do not protect the assets of a dishonest debtor in a federal bankruptcy case. See U.S. C. sec. 523 (a) (2). Exemptions do not provide practical protection to a debtor from being required to pay non-dischargeable debt after a bankruptcy case.

This legislation is worthy of consideration for the impact it will have on the middle class and working poor. Can the legislature continue to support a population with greater and greater needs for government benefits or should the legislature empower individuals to create their own safety net. Indexing exemptions can be made a part of the exemption scheme and there are good examples in other states and in the bankruptcy code. With sufficient clarity for creditors, yes, they will take steps to improve their positions, and a fair and just exemption scheme will give them the tools to calculate who and when to give credit to.

Sincerely,



Barbara L. Franklin, Esq.

Attorney at Law



Inspiring Hope, Changing Lives

Visit us on the web: www.hopeserviceshawaii.org

Connect via email: info@hopeserviceshawaii.org

HOPE Help Line: 808-935-3050

TESTIMONY IN SUPPORT OF SB 3323: RELATING TO ATTACHMENT

TO: Committee Chair, Vice-Chair and Members
FROM: Brandee Menino, CEO, Hope Services Hawai'i, Inc.
Hearing: HMS, 2-3-22 at 3:00

LATE

Aloha,

Thank you for the opportunity to provide input on SB 3323, which would increase the value of exemptions for real property and a motor vehicle, as well as exempt one month of child support and spousal support from attachment or execution.

As Hawai'i Island's largest homeless services provider, a substantial portion of HOPE Services' work is dedicated to **Diversion and Prevention—keeping people from entering homelessness**, and helping them find alternative living arrangements so they **do not enter the system**. With nearly half our state struggling below the ALICE (Asset-Limited, Income-Constrained, Employed) threshold, we need your help to leverage all available resources to help families in Hawai'i work towards building their capacity to not only survive, but thrive.

In the past, the state made the correct decision to exempt certain assets from seizure by creditors, in order to prevent people from falling into destitution and becoming completely dependent on taxpayer-funded social services. These exempted assets – items like necessary household furnishings, a car, and tools – constitute the bare minimum a person would need to continue to survive and work. However, it's been half a century since the list of exemptions and dollar values have been updated, and they fall appallingly short of what's needed in 2022. As an example, the value of an exempted vehicle is capped at \$2,575. This is unacceptable. We can do better... we must do better. As residents of the Big Island know, a vehicle is not a luxury, but a necessity for all families to get to work and school. Additionally, child and spousal support are not currently exempted, leaving vulnerable children and families at risk. This bill would provide for an increase in the vehicle value exemption to \$15,000, and would add child and spousal support, as well as other appropriate updates.

The past two years have taught us that catastrophes can destroy even the most well-laid plans, and that our best defense is to make sure the most vulnerable will be taken care of in the worst-case scenario. This bill is one of many that will do just that. Therefore, **we request that you support SB 3323**. Mahalo nui for your consideration.

Sincerely,

Brandee Menino,
Chief Executive Officer



ADMINISTRATIVE OFFICE
357 Waianuenu Avenue
Hilo, HI 96720
phone: (808) 935-3050
fax: (808) 935-3794

BOARD OF DIRECTORS
President
Dean Au
Vice-President
Peter Hoffmann

Secretary
Patrick Hurney
Treasurer
Charlene Iboshi

Directors
Gwen DeCoito
David Kurohara
Anne Harpham
Rev. Robert Stark, SSS
Michael Stimson

EXECUTIVE LEADERSHIP
Chief Executive Officer
Brandee Menino

HAWAII FINANCIAL SERVICES ASSOCIATION

c/o Marvin S.C. Dang, Attorney-at-Law

P.O. Box 4109

Honolulu, Hawaii 96812-4109

Telephone No.: (808) 521-8521

February 3, 2022

Senator Joy A. San Buenaventura, Chair
Senator Les Ihara, Jr., Vice Chair
and members of the Senate Committee on Human Services
Hawaii State Capitol
Honolulu, Hawaii 96813

Re: **S.B. 3323 (Attachment)**
Hearing Date/Time: Thursday, February 3, 2022, 3:00 p.m.

I am Marvin Dang, the attorney for the **Hawaii Financial Services Association** (“HFSA”). The HFSA is a trade association for Hawaii’s consumer credit industry. Its members include Hawaii financial services loan companies (which make mortgage loans and other loans, and which are regulated by the Hawaii Commissioner of Financial Institutions), mortgage lenders, and financial institutions.

The HFSA **opposes** this Bill.

This Bill: (a) increases the amount of the exemption from attachment or execution of real property and a motor vehicle; and (b) exempts one month of child support and spousal support from attachment or execution

This Bill, as drafted, does not seem to be sound public policy. We believe that some of the proposed changes in this Bill will enable and encourage certain debtors, who have properties with a lot of equity, to avoid paying their contractual obligations and to shelter their assets from creditors.

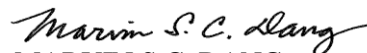
We object to a provision under this Bill which would allow a debtor to shelter from creditors up to \$100,000 in equity in each of what could be multiple real properties regardless of whether the properties are owner-occupied or owned as an investment, and regardless whether the properties are residential or commercial. Currently the exemption amounts are either \$20,000 or \$30,000 in just one property.

An unintended consequence of this Bill is that consumers and other borrowers could be negatively impacted. That’s because if this Bill passes, lenders and other creditors might need to tighten their underwriting standards for loans or other credit to ensure that the lenders and creditors get repaid the monies that are loaned or advanced. Access to credit could be reduced.

A 2017 research study of the Federal Reserve Bank of New York examined the states that had adopted increased restrictions on the collection of debt; it also examined the states that had not adopted additional restrictions. “*Access to Credit and Financial Health: Evaluating the Impact of Debt Collection*”, Federal Reserve Bank of New York, Staff Report 814 (May 2017). The results of the study indicated that “restricting collection activities leads to a decrease in access to credit and to a deterioration in indicators of financial health. . . . The decrease in access to credit is stronger for borrowers with low credit scores, but is felt across the credit spectrum.”

Accordingly, we respectfully ask that your Committee “defer” this Bill and not pass it.

Thank you for considering our testimony.



MARVIN S.C. DANG

Attorney for Hawaii Financial Services Association

(MSCD/hfsa)



Mortgage Bankers Association of Hawaii
P.O. Box 4129, Honolulu, Hawaii 96812

February 2, 2022

The Honorable Joy A. San Buenaventura, Chair
The Honorable Les Ihara, Jr., Vice Chair
Members of the Senate Committee on Human Services

Hearing Date: February 3, 2022
Hearing Time: 3:00pm
Hearing Place: Hawaii State Capitol

Re: SB 3323 Relating to Attachment

I am Linda Nakamura, representing the Mortgage Bankers Association of Hawaii ("MBAH"). The MBAH is a voluntary organization of individuals involved in the real estate lending industry in Hawaii. Our membership consists of employees of banks, savings institutions, mortgage bankers, mortgage brokers, financial institutions, and companies whose business depends upon the ongoing health of the financial services industry of Hawaii. The members of the MBAH originate and service, or support the origination and servicing, of the vast majority of residential and commercial real estate mortgage loans in Hawaii. When, and if, the MBAH testifies on legislation or rules, it is related only to mortgage lending and servicing.

SB3323 increases the amount of the exemption from attachment or execution of real property and a motor vehicle. Exempts one month of child support and spousal support from attachment or execution.

The bill as proposed will allow a mortgage debtor an exemption of up to \$100,000 for all real property a mortgage creditor may own. The bill does not specify the number of exemptions nor does it specify what type of property (owner-occupied, second home or investment) is covered.

The Real Estate market is cyclical. In the event of a Real Estate downturn, as experienced in the past, a mortgage debtor's mortgage balance may be more than the value of the real property. If the mortgage debtor becomes delinquent and subsequently is foreclosed upon, the lender may not be able to collect on the entire mortgage debt. This additional risk for mortgage lenders may result in stricter underwriting guidelines and ultimately result in less mortgage lending in the community.

Our position: OPPOSE

In summary, we oppose the bill as it is written. Mortgage debtors with multiple real properties will receive multiple exemptions, mortgage creditors may not be able to collect on the debt owed and there may be potential decreased availability of mortgage lending for the community.

Thank you for the opportunity to present this testimony.

Linda Nakamura
Mortgage Bankers Association of Hawaii



1654 South King Street
Honolulu, Hawaii 96826-2097
Telephone: (808) 941.0556
Fax: (808) 945.0019
Web site: www.hcul.org
Email: info@hcul.org



Testimony to the Senate Committee on Human Services
Thursday, February 3, 2022
3:00 pm
Via Videoconference

LATE

Testimony in Opposition to SB 3323, Relating to Attachment

To: The Honorable Joy San Buenaventura, Chair
The Honorable Les Ihara Jr., Vice-Chair
Members of the Committees

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for 48 Hawaii credit unions, representing over 860,000 credit union members across the state.

HCUL is in opposition to SB 3323, Relating to Attachment. This bill would increase the amount of the exemption from attachment or execution of real property or a motor vehicle, and further exempts one month of child support and spousal support from attachment or execution.

The majority of Hawaii's credit unions currently offer mortgages and other forms of credit to their members. Credit unions are not-for-profit organizations whose members ultimately bear any losses. Occasionally, members default in payment of their obligations, and a credit union may have to take legal action to collect the debt. If the credit union cannot collect the debt, its members suffer the loss.

We further concur with the testimony of the Hawaii Financial Services Association and the Hawaii Bankers Association.

Thank you for the opportunity to provide comments on this issue.



Collection Law Section

Chair:

Steven Guttman

Vice Chair:

William J. Plum

Secretary:

Thomas J. Wong

Treasurer:

Arlette S. Harada

Reply to: **STEVEN GUTTMAN, CHAIR**
220 South King Street Suite 1900
Honolulu, Hawaii 96813
Telephone: (808) 536-1900
Fax: (808) 529-7177
E-Mail: sguttman@kdubm.com

February 2, 2022

Re: S.B. 3323 (Relating To Attachment)
Hearing: February 3, 2022 3:00 p.m.
Testimony in Opposition

Dear Chair San Buaventura, Vice Chair Ihra, and Committee Members:

This testimony is submitted on behalf of the Collection Law Section (“CLS”) of the Hawaii State Bar Association.**

The CLS takes no position on the \$100,000 exemption for certain real estate that has been proposed.

The CLS opposes size of the increase of the motor vehicle exemption. \$7,500 would be a more appropriate increase in both percentage and in reasonableness.

The CLS opposes an *unlimited* exemption for items such as jewelry, watches, and items of personal adornment. An unlimited exemption would create a very real incentive for a person to artificially use this category to hide assets. For example, there is a large and robust market on the internet for used and new Rolex watches. Those watches run into the tens of thousands of dollars for just one watch. A person could easily hide in plain sight \$100,000 or more in just watches with that exemption. Moreover, expensive gold coins or jewels could easily be attached to a chain and claimed as jewelry or “items of personal adornment.” Going with an unlimited amount far exceeds the reasonable number of items the average person would own and sets up a system that cries out for abuse and provides some not so honest individuals an unfair method to defraud creditors. If there is going to be an increase, a more reasonable increase would be to \$5,000 for the jewelry, watches and items of personal adornment.

Remember, life is not a one-way street. For every person who side-steps a financial obligation, there is someone else who is rightfully owed that sum and *suffers the full brunt* of that loss.

Accordingly, the CLS would like to participate in a dialogue to establish exemption amounts that are consistent with the underlying goals of the legislation.

Thank you for considering our testimony.

/S/ William J. Plum
WILLIAM J. PLUM
Vice Chair
The Collection Law
Section

*** The comments and recommendations submitted reflect the position/viewpoint of the Collection Law Section of the Hawaii State Bar Association only. The position/viewpoint has not been reviewed or approved by the HSBA Board of Directors.*

\sb3323/cls

SB-3323

Submitted on: 2/3/2022 12:04:43 PM

Testimony for HMS on 2/3/2022 3:00:00 PM



Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mari Ebersole	Individual	Support	No

Comments:

I am testifying in strong support of SB3323 and believe that it must be passed in order to protect Hawai'i residents from predatory creditors taking their assets needed to maintain housing, child support, and other necessary payments that currently reflect the astronomical cost of living. Statistics in the 2020 ALICE report showed that majority of people are one catastrophe away from losing their home - close to 50% of Hawai'i residents are below the ALICE and federal poverty threshold, and this disproportionately impacts Native Hawaiians, single mothers, people with disabilities, and other groups who are already marginalized. A creditor's desire to recover a loan should not be prioritized over a child and family's needs. Protecting people's assets in the instance of unexpected catastrophes and health emergencies has large lasting positive impacts in preventing people from falling into poverty. Once someone gets pushed into poverty, it's harder to climb out, and nearly impossible without utilizing social services (which are funded by the state). These protective measures provided by SB3323 should take precedent over assets and must be passed now.

Mahalo.