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# A BILL FOR AN ACT

RELATING TO RENT-TO-OWN CONTRACTS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Chapter 667, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§667-    Rent-to-own contracts. (a) This chapter and the  
5 Single Family Mortgage Foreclosure Act of 1994, P.L. 103-327,  
6 shall apply to all rent-to-own contracts for real property in  
7 the State; provided that this section shall not apply to the  
8 rent-to-own program under section 201H-181.

9           (b) For purposes of this section, "rent-to-own contract  
10 for real property" means any lease agreement entered into  
11 between a seller of real property and the purchaser of real  
12 property in which:

13           (1) The seller and purchaser agree to a purchase price for  
14           the real property;

15           (2) The purchaser resides on the real property;



- 1       (3) The purchaser makes periodic rent payments to the
- 2               seller of the real property that is at least twice the
- 3               market rate of rent for similar dwellings;
- 4       (4) An agreed upon portion of each periodic rent payment
- 5               is applied towards the purchase price to the credit of
- 6               the purchaser; and
- 7       (5) The seller retains legal title of the real property
- 8               until the payment of the agreed upon purchase price by
- 9               the purchaser at which point the title to the real
- 10              property shall transfer from the seller to the
- 11              purchaser."

12       SECTION 2. This Act does not affect rights and duties that

13 matured, penalties that were incurred, and proceedings that were

14 begun before its effective date.

15       SECTION 3. New statutory material is underscored.

16       SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: 

# S.B. NO. 2488

**Report Title:**

Rent-to-Own Contracts; Real Property; Foreclosure Procedures

**Description:**

Subjects certain rent-to-own contracts for real property in the State to state and federal foreclosure procedures.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

