

Honolulu, Hawaii

FEB 28 2025

RE: S.B. No. 332
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B.
No. 332, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO FORECLOSURES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit sellers of foreclosed homes in a nonjudicial foreclosure from bundling properties at a public sale to a single buyer and require each foreclosed home to be sold separately; and
- (2) Allow tenants, families, city and state government agencies, affordable housing nonprofits, and community land trusts forty-five days to match or beat the best public sale bid to buy the property.

Your Committee received testimony in support of this measure from LIMBY Hawai'i, Hawaii Financial Services, Lāhainā Strong, HI Good Neighbor, Hana Business Council, and twenty-three individuals.

Your Committee finds that natural disasters and economic crises often cause homeowners to default on their mortgage payments, resulting in a wave of foreclosures. Your Committee further finds that some investors exploit foreclosure crises to



purchase foreclosed properties at the expense of local families. Accordingly, this measure prohibits the bulk sale of foreclosed properties, thereby providing residents with a better chance to submit more competitive offers to purchase a foreclosed property.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 332, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:* SB 332, SDI	Committee Referral: CDN, JDC	Date: 2/21/25										
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____												
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>												
Members	Aye	Aye (WR)	Nay	Excused								
RHOADS, Karl (C)	✓											
GABBARD, Mike (VC)				✓								
CHANG, Stanley	✓											
SAN BUENAVENTURA, Joy A.	✓											
AWA, Brenton	✓											
TOTAL	4			1								
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>												
Chair's or Designee's Signature:												
<table style="width: 100%; border: none;"> <tr> <td style="width: 25%;">Distribution:</td> <td style="width: 25%;">Original</td> <td style="width: 25%;">Yellow</td> <td style="width: 25%;">Pink</td> </tr> <tr> <td></td> <td>File with Committee Report</td> <td>Clerk's Office</td> <td>Drafting Agency</td> </tr> </table> <div style="display: flex; justify-content: flex-end; margin-top: 5px;"> <div style="text-align: center; width: 25%;">Goldenrod Committee File Copy</div> </div>					Distribution:	Original	Yellow	Pink		File with Committee Report	Clerk's Office	Drafting Agency
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*Only one measure per Record of Votes