

STAND. COM. REP. NO. 168

Honolulu, Hawaii

FEB 10 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 Commerce and Consumer Protection, to which was referred S.B. No. 332 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 nonjudicial foreclosures from bundling properties at public sales for 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 Lāhainā Strong and two individuals.

Your Committee finds that natural disasters and other economic crises can often lead homeowners to default on their mortgages, resulting in a wave of foreclosures and replacement of owner-occupied homes with investor-owned rentals, prolonged vacancies, and unmaintained residential properties.



Your Committee finds that this measure seeks to prevent the displacement of families and preserve homeownership by ensuring that foreclosed homes cannot be bundled together for auction and requiring them to be sold individually. Your Committee also finds that this measure prioritizes giving local families, affordable housing nonprofits, and community land trusts a fairer chance to submit competitive offers to purchase foreclosed properties. This measure will ensure that local homes remain in service to local residents.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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. 332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 332, S.D. 1, and be referred to your Committee on Judiciary.

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



JARRETT KEOHOKALOLE, Chair



Record of Votes
Committee on Commerce and Consumer Protection
CPN

*Only one measure per Record of Votes