Honolulu, Hawaii

Morch 2, 2006

RE: H.B. No. 1796 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1796 entitled:

"A BILL FOR AN ACT RELATING TO NOTICE,"

begs leave to report as follows:

The purpose of this bill is to afford persons living in counties other than Honolulu, adequate notice of a mortgage foreclosure on property located in the county, by requiring that the notice be given in a newspaper published in the county.

The Hawaii Association of Realtors supported this bill. The Mortgage Bankers Association of Hawaii opposed this measure. The Hawaii Financial Services Association commented on this bill.

Your Committee finds that foreclosure by power of sale law currently requires notice of foreclosure to be published in the county in which the property is located, in a newspaper having general circulation in the county. This allows notice for counties other than Honolulu to be published in newspapers with a statewide circulation. However, in some cases, residents of these counties only subscribe to the smaller, local papers. As a result, the law does not ensure that these individuals receive notice of the foreclosure of a property in their county. This bill attempts to address this problem.

Your Committee has amended this bill so that it will better achieve its purpose, by requiring that:

HB1796 HD1 HSCR CPC HMS 2006-2198



- (1) In Honolulu, notice of foreclosure is to be given three times in a newspaper having general circulation on Oahu; and
- (2) In counties other than Honolulu, at least two of the three required notices are to be given in a newspaper published in, and having the largest general circulation in the county.

Technical, nonsubstantive amendments were also made for clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1796, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1796, H.D. 1, and be placed on the calendar for Third Reading.

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

ROBERT N. HERKES, Chair

## State of Hawaii

House of Representatives
The Twenty-third Legislature

HSCE 638

## **Record of Votes of the Committee on Consumer Protection & Commerce**

Bill/Resolution No.: Date:				
HB1796 Feb 8/06				
Committee Referral:  The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended Pass, with amendments				
☐ Hold ☐ Recommit				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)				
2. SCHATZ, Brian (VC)				
3. CALDWELL, Kirk	V			
4. ITO, Ken				
5. KANOHO, Ezra R.				
6. KARAMATSU, Jon Riki				
7. MORITA, Hermina M.				V
8. SONSON, Alex M.				
9. SOUKI, Joseph M.				
10. MARUMOTO, Barbara C.	/		. :	
11. STONEBRAKER, Bud				
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TOTAL	7			4
The recommendation is:				
If joint referral, did not support recommendation.				
committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				