

H.B. NO. 1336

A BILL FOR AN ACT

RELATING TO SANCTIONS FOR VIOLATIONS BY MORTGAGE BROKERS AND SOLICITORS COMMITTED AGAINST ELDERS.

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

1 SECTION 1. Chapter 454, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§454- Additional sanctions for violations committed
5 against elders. (a) Any person who, in the course of engaging
6 in conduct that requires a license under this chapter, commits a
7 violation of this chapter or the rules adopted pursuant to this
8 chapter, or commits a violation of chapter 436B, and the
9 violation includes conduct that is directed towards, targets, or
10 is committed against an elder, may be fined an amount not to
11 exceed \$10,000 for each violation in addition to any other fine
12 or penalty.

13 (b) As used in this chapter, "elder" means a consumer who
14 is sixty-two years of age or older."

15 SECTION 2. New statutory material is underscored.

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1 SECTION 3. This Act shall take effect on July 1, 2007.

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INTRODUCED BY: Colin H. Day
BY REQUEST

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JAN 22 2007

JUSTIFICATION SHEET

DEPARTMENT: Commerce and Consumer Affairs

TITLE: A BILL FOR AN ACT RELATING TO SANCTIONS FOR VIOLATIONS BY MORTGAGE BROKERS AND SOLICITORS COMMITTED AGAINST ELDERS.

PURPOSE: To provide for additional sanctions for violations of chapter 454 or 436B, Hawaii Revised Statutes ("HRS"), by mortgage brokers and solicitors committed against elders.

MEANS: Add a new section to chapter 454, HRS.

JUSTIFICATION: The Department has received complaints against mortgage brokers for conduct harmful to elderly consumers and is concerned that such conduct, if undeterred, will escalate.

This bill addresses the Department's concern by adding a new section to chapter 454, HRS to increase sanctions for mortgage brokers and solicitors who violate chapters 454 or 436B, HRS, when the violations include conduct that is directed towards, targets, or is committed against elders. The bill provides for sanctions in an amount not to exceed \$10,000 for each violation.

This bill is similar to sections 480-13.5 and 444-10.7, HRS, which provide for enhanced penalties for consumer fraud and unlicensed contracting violations, respectively, committed against elders.

Impact on the public: The bill will enhance protections for elderly consumers by increasing sanctions for violations by mortgage brokers and solicitors committed against elders.

Impact on the department and other agencies:

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The bill may impact the resources of the Department's Division of Financial Institutions (DFI) if the responsibility for the regulation of mortgage brokers and solicitors is transferred to DFI.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: None.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: July 1, 2007.