Honolulu, Hawaii

Fe 5 19, 2009

RE: H.B. No. 202 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 202 entitled:

"A BILL FOR AN ACT RELATING TO FORECLOSURES,"

begs leave to report as follows:

The purpose of this bill is to protect the rights of a tenant of rental property by requiring 120-day notice of mortgage foreclosure to the tenant under a month-to-month tenancy by a successor-in-interest prior to the termination of the rental agreement and commencement of summary possession proceedings.

The Hawaii Association of REALTORS supported the intent of this bill. The Legal Aid Society of Hawaii supported this measure with amendments. The Hawaii Bankers Association opposed this bill. The Hawaii Financial Services Association provided comments.

The intent of your Committee is to address the rights of tenants in foreclosure cases while balancing the interests of all stakeholders. Accordingly, your Committee has amended this bill by:

- (1) Setting forth the acceptable methods of delivery of notice to the tenant or subtenant that a rental housing unit is in foreclosure;
- (2) Reducing the time period for notice from 120 to 45 days;

HB202 HD1 HSCR HSG HMS 2009-2234

- (3) Changing the definition of "successor-in-interest" from a fee simple owner or owners of the property whose interest was acquired through foreclosure, to a person who acquired an interest in the property through foreclosure;
- (4) Providing that for power of sale foreclosures, the tenant is to be given notice 15 days before the actual sale of the mortgaged property;
- (5) Changing the effective date to July 1, 2009; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 202, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

R'IDA CABANILLA, Chair

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State of Hawaii House of Representatives The Twenty-fifth Legislature

Record of Votes of the Committee on Housing

HB 202	HSG.	CPC/JUP Date	2.13.	D9
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. CABANILLA, Rida (C)	X			
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2. CHONG, Pono (VC)	4			
3. CHANG, Jerry L.	and the second s			of the fell page 200
J. CHANG, Jeffy E.	V			
4. COFFMAN, Denny	V			Caraca Carac
5. HAR, Sharon E.	*			
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6. HERKES, Robert N.				k .
7. ITO, Ken				
7. 110, Ken	× ×	The Miles		· · · · · · · · · · · · · · · · · · ·
8. LEE, Chris	· K			
9. LUKE, Sylvia	X			
	Recording to the second			
10. MORITA, Hermina M.				7
11. SAGUM, Roland D., III	· ·			
The state of the sale of the s	A Company			1000
12. CHING, Corinne W.L.				>
13. THIELEN, Cynthia	K			
TOTAL (13)				3
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				