STAND. COM. REP. NO. 545

Honolulu, Hawaii

Feb 18, 2011

RE: H.B. No. 1411

H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Judiciary, to which was referred H.B. No. 1411 entitled:

"A BILL FOR AN ACT RELATING TO MORTGAGE FORECLOSURES,"

beg leave to report as follows:

The purpose of this bill is to provide a comprehensive approach to reform the foreclosure laws in Hawaii by replacing the current non-judicial foreclosure process with a new non-judicial process.

UNITE HERE Local 5, Catholic Charities Hawaii, and numerous individuals supported this measure. The Hawaii Association of REALTORS supported the intent of this bill. The Community Associations Institute, the Hawaii Bankers Association, the Hawaii Financial Services Association, Mililani Town Association, and the Hawaii Credit Union League opposed this bill. The Department of Commerce and Consumer Affairs, Faith Action for Community Equity, and numerous individuals offered comments.

Your Committees have amended this bill to provide greater consumer protections, clarify the non-judicial foreclosure process, and eliminate the potential for lender abuse. Amendments to the bill include:

(1) Detailed provisions for mandatory mortgage foreclosure dispute resolution;

HB1411 HD1 HSCR CPC-JUD HMS 2011-2366

- (2) Clear descriptions of prohibited types of conduct in the foreclosure process and their consequences; and
- (3) Stricter regulations of the mortgage servicer industry.

Your Committee finds that this measure will provide much needed and comprehensive reform of Hawaii's foreclosure law and will help address the improprieties of the mortgage loan industry that have contributed to the foreclosure crisis facing Hawaii's homeowners today.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1411, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1411, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committees on Consumer Protection & Commerce and Judiciary,

GILBERT KEITH-ACARAN, Chair

ROBERT N. HERKES, Chair

## State of Hawaii



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

HB [4]]	Committee Refer	NA, QUÜ	1	Date:	114/2	011			
☐ 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)									
CPC Members		Ayes	Ayes (WI	R)	Nays	Excused			
1. HERKES, Robert N. (C)		/_							
2. YAMANE, Ryan I. (VC)									
3. BROWER, Tom									
4. CABANILLA, Rida T.R.									
5. CARROLL, Mele									
6. ITO, Ken									
7. KEITH-AGARAN, Gilbert S.C.		/_							
8. LUKE, Sylvia									
9. McKELVEY, Angus L.K.									
10. MORITA, Hermina M.									
11. OSHIRO, Blake K.				·					
12. SOUKI, Joseph M.									
13. TSUJI, Clift									
14. CHING, Corinne W.L.									
15. MARUMOTO, Barbara C.									
16. THIELEN, Cynthia									
						***			
TOTAL (16)		14				2			
The recommendation is:									
If joint referral, did not support recommendation.									
Vice Chair's or designee's signature:									
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO									

## State of Hawaii



## Record of Votes of the Committee on Judiciary

HB 1411	CPC/JUD, F	IN 2/	16/11						
☐ 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)									
JUD Members	Ayes	Ayes (WR)	Nays	Excused					
1. KEITH-AGARAN, Gilbert S.C.	(C)								
2. RHOADS, Karl (VC)									
3. BROWER, Tom									
4. CABANILLA, Rida T.R.									
5. CARROLL, Mele									
6. HERKES, Robert N.									
7. ITO, Ken									
8. LUKE, Sylvia									
9. McKELVEY, Angus L.K.									
10. MORITA, Hermina M.									
11. OSHIRO, Blake K.									
12. SOUKI, Joseph M.									
13. TSUJI, Clift									
14. FONTAINE, George R.									
15. MARUMOTO, Barbara C.									
16. THIELEN, Cynthia									
221, 22									
-									
			<u>.</u>						
TOTAL (16)	14	0	0	2					
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									