Honolulu, Hawaii

Marh 15 , 2012

RE: S.B. No. 2429 S.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2012 State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Judiciary, to which was referred S.B. No. 2429, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO FORECLOSURES,"

beg leave to report as follows:

The purpose of this measure is to implement the 2011 recommendations of the Mortgage Foreclosure Task Force and other best practices to address mortgage foreclosures and related issues, including:

- (1) Adding provisions relating to unpaid assessments and release of recorded liens by associations;
- (2) Clarifying the mortgage foreclosure law under chapter 667, Hawaii Revised Statutes, by establishing general provisions and provisions for an association alternate power of sale process;
- (3) Clarifying provisions relating to penalties and fines;
- (4) Clarifying provisions relating to public notice of public sale;
- (5) Clarifying provisions relating to unfair or deceptive acts or practices; and
- (6) Making other clarifying and conforming amendments.

The Department of Commerce and Consumer Affairs, Legal Aid Society of Hawaii, and a concerned individual testified in support of this measure. The Office of Consumer Protection supported the intent of this measure. The Hawaii Financial Services Association, Mililani Town Association, Hawaii Credit Union League, Hawaii Bankers Association, and many concerned individuals opposed this measure. The Hawaii Chapter of the Community Associations Institute, Hawaii Association of REALTORS, RCO Hawaii LLLC, Anderson Lahne & Fujisaki LLP, and several concerned individuals provided comments.

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 S.B. No. 2429, S.D. 2, and recommend that it pass Second Reading 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

House of Representatives
The Twenty-sixth Legislature

House of Representatives

The Twenty-sixth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SHRI SDR Committe	e Referral:	D, FIN Date:	3/12/1	2_			
☐ 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 (WR)	Nays	Excused			
1. HERKES, Robert N. (C)				<u>-</u>			
2. YAMANE, Ryan I. (VC)	<u> </u>						
3. BROWER, Tom				-			
4. CABANILLA, Rida T.R.							
5. CARROLL, Mele							
6. COFFMAN, Denny							
7. ITO, Ken							
8. KEITH-AGARAN, Gilbert S.C.							
9. LUKE, Sylvia							
10. McKELVEY, Angus L.K.							
11. SOUKI, Joseph M.				, <u></u>			
12. TSUJI, Clift		<u>.</u>					
13. CHING, Corinne W.L.							
14. MARUMOTO, Barbara C.							
15. THIELEN, Cynthia							
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TOTAL (15)	7	3 1	2	3			
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 House of Representatives The Twenty-sixth Legislature

Record of Votes of the Committee on Judiciary 45ce 994-12

Bill/Resolution No.: SB 2429 SD2	Committee Referral:	Date:	3/12	112			
☐ 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				<u></u>			
6. COFFMAN, Denny		_		`			
7. HERKES, Robert N.							
8. ITO, Ken							
9. LUKE, Sylvia							
10. McKELVEY, Angus L.K.							
11. SOUKI, Joseph M.							
12. TSUJI, Clift							
13. FONTAINE, George R.		/	<u> </u>				
14. MARUMOTO, Barbara C.							
15. THIELEN, Cynthia							
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The recommendation is: Adop If joint re		did not support	t recommendatio	n,			
Vice Chair's or designee's signature:							
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