STAND. COM. REP. NO. 806

Honolulu, Hawaii

2013

RE: H.B. No. 25

H.D. 2

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2013 State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 25, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SUSPENSION OF FORECLOSURE ACTIONS BY JUNIOR LIENHOLDERS,"

begs leave to report as follows:

The purpose of this measure is to help ensure that properties do not deteriorate, thereby lowering overall property values, by permitting planned community associations and condominium associations, as junior lienholders, to initiate or continue a nonjudicial foreclosure action on a property subject to judicial foreclosure and during the pendency of a stay pursuant to law.

This measure also repeals the requirement that the power of sale foreclosure process be stayed during the pendency of a circuit court foreclosure action.

The Hawaii Financial Services Association, Hawaii Council of Associations of Apartment Owners, and a concerned individual supported this measure. The Mortgage Bankers Association of Hawaii opposed this bill. The Department of Commerce and Consumer Affairs, Department of Commerce and Consumer Affairs Office of Consumer Protection, and Hawaii Bankers Association provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 1, 2100, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 25, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 25, H.D. 2.

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

KARL RHOADS, Chair

## State of Hawaii House of Representatives The Twenty-seventh Legislature

HSCR 806

## Record of Votes of the Committee on Judiciary

Bill/Resolution No.: HB25, HD1	Committee Referral:	Date:	26/13	
☐ 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. RHOADS, Karl (C)	X			
2. HAR, Sharon E. (VC)	<u> </u>			
3. BELATTI, Della Au	χ.			
4. BROWER, Tom	<u> </u>			
5. CABANILLA, Rida T.R.	X			
6. CARROLL, Mele	X			
7. ITO, Ken				X.
8. KAWAKAMI, Derek S.K.	X			,
9. LEE, Chris	X			
10. TSUJI, Clift	<u> </u>			
11. WOOLEY, Jessica	X			
12. MCDERMOTT, Bob	X			
13. THIELEN, Cynthia	X			
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TOTAL (13)	12			1
The recommendation is:  Adopted  If joint referral,  committee acconym(s)  Adopted  If joint referral,  committee acconym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				