



GOV. MSG. NO. 1126

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

April 23, 2014

The Honorable Donna Mercado Kim,
President
and Members of the Senate
Twenty-Seventh State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Seventh State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on April 23, 2014, the following bill was signed into law:

HB2275

RELATING TO MORTGAGE RESCUE FRAUD
ACT 026 (14)

Alaka
Signed
Neil Abercrombie

NEIL ABERCROMBIE
Governor, State of Hawaii

APR 23 2014

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RECEIVED
THE SENATE
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STATE OF HAWAII

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SENATE
OFFICE OF THE PRESIDENT

'14 APR 24 P5:36

'14 APR 24 P5:07

04/24/14

A BILL FOR AN ACT

RELATING TO MORTGAGE RESCUE FRAUD.

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

1 SECTION 1. Section 480E-2, Hawaii Revised Statutes, is
2 amended by amending the definition of "distressed property
3 consultant" to read as follows:

4 "Distressed property consultant" means any person who
5 performs or provides, or attempts to perform or provide, or who
6 arranges for others to perform or provide, or who assists others
7 to perform or provide, or who makes any solicitation,
8 representation, or offer to perform or provide, any of the
9 following relating to a distressed property:

- 10 (1) Stop or postpone the foreclosure sale or loss of any
11 distressed property due to the nonpayment of any loan
12 that is secured by the distressed property;
- 13 (2) Stop or postpone the charging of any lien or
14 encumbrance against any distressed property or
15 eliminate any lien or encumbrance charged against any
16 distressed property for the nonpayment of any taxes,
17 lease assessments, association fees, or maintenance
18 fees;

H.B. NO. 2215

- 1 (3) Obtain any forbearance from any beneficiary or
2 mortgagee, or relief with respect to a tax sale of the
3 property;
- 4 (4) Assist the owner to exercise any cure of default
5 arising under Hawaii law;
- 6 (5) Obtain any extension of the period within which the
7 owner may reinstate the owner's rights with respect to
8 the property;
- 9 (6) Obtain any waiver of an acceleration clause contained
10 in any promissory note or contract secured by a
11 mortgage on a distressed property or contained in the
12 mortgage;
- 13 (7) Assist the owner in foreclosure, loan default, or
14 post-tax sale redemption period to obtain a loan or
15 advance of funds;
- 16 (8) Avoid or ameliorate the impairment of the owner's
17 credit resulting from the recording or filing of a
18 notice of default or the conduct of a foreclosure sale
19 or tax sale; or
- 20 (9) Save the owner's residence from foreclosure or loss of
21 home due to nonpayment of taxes.

22 "Distressed property consultant" shall not include any of
23 the following:

- 24 (1) A person or the person's authorized agent acting under
25 the express authority or written approval of the
26 federal Department of Housing and Urban Development;

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- 1 (2) A person who holds or is owed an obligation secured by
2 a lien on any distressed property, or a person acting
3 under the express authorization or written approval of
4 such person, when the person performs services in
5 connection with the obligation or lien, if the
6 obligation or lien did not arise as the result of or
7 as part of a proposed distressed property conveyance;
- 8 (3) Banks, savings banks, savings and loan associations,
9 credit unions, trust companies, depository and
10 nondepository financial service loan companies, and
11 insurance companies organized, chartered, or holding a
12 certificate of authority to do business under the laws
13 of this State or any other state, or under the laws of
14 the United States;
- 15 (4) [~~Licensed attorneys~~] Attorneys licensed in the State
16 of Hawaii engaged in the practice of law;
- 17 (5) Certified public accountants licensed under chapter
18 466, persons holding a permit to practice public
19 accountancy in the State of Hawaii, and persons
20 holding a valid certified public accountant license
21 issued under the laws of another state or territory
22 who are lawfully practicing in the State of Hawaii
23 with a temporary permit to practice pursuant to rules
24 established by the board of public accountancy and who
25 are subject to regulation by the board of public

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1 accountancy while engaged in the practice of public
2 accountancy;


3 (6) A federal Department of Housing and Urban Development
4 approved mortgagee and any subsidiary or affiliate of
5 these persons or entities, and any agent or employee
6 of these persons or entities, while engaged in the
7 business of these persons or entities;

8 (7) A nonprofit organization that, pursuant to chapter
9 446, offers counseling or advice to an owner of a
10 distressed property, if the nonprofit organization has
11 no contract or agreement for services with lenders,
12 distressed property purchasers, or any person who
13 effects loans or distressed property purchases; or

14 ~~(8)~~ ~~(+)~~ A person currently licensed as an active real
15 estate broker or real estate salesperson in Hawaii
16 pursuant to chapter 467, when acting in the capacity
17 of a real estate broker or real estate salesperson in
18 accordance with customary industry standards."

19 SECTION 2. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 3. This Act shall take effect upon its approval.

22
23 INTRODUCED BY: 

24 BY REQUEST

JAN 21 2014

H.B. NO. 2275

APPROVED this 23 day of APR, 2014

Handwritten signature of Neil Abernethy in black ink. The signature is written in a cursive style with a horizontal line under the name.

GOVERNOR OF THE STATE OF HAWAII