786 -14

Honolulu, Hawaii

February 13, 20

RE: H.B. No. 2275

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2275 entitled:

"A BILL FOR AN ACT RELATING TO MORTGAGE RESCUE FRAUD,"

begs leave to report as follows:

The purpose of this measure is to amend the definition of "distressed property consultant" in section 480E-2, Hawaii Revised Statutes, by:

- (1) Expanding the definition to include persons who provide, attempt to perform or provide, arrange for others to perform or provide, assist others to perform or provide, or offer to provide certain mortgage rescue services; and
- (2) Clarifying that the exception of attorneys from the definition of "distressed property consultant" applies to attorneys who are licensed to practice law in Hawaii.

The Department of Commerce and Consumer Affairs, Office of Consumer Protection; the Hawaii Bankers Association; and one individual testified in support of the measure.

Your Committee finds that there have been instances in which persons have attempted to evade the requirements of the Mortgage Rescue Fraud Prevention Act by acting as an agent of another person or entity, or utilizing the services of out-of-state attorneys, in providing services to distressed property owners.

HB2275 HSCR LRB 14-1074.doc



Your Committee believes that by clarifying the definition of "distress property consultant," this measure will enable the Attorney General and the Office of Consumer Protection to prosecute violations of the Mortgage Rescue Fraud Prevention Act more quickly and to obtain judgments with less expenditure of resources.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2275 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ANGUS L.K. McKELVEY, Chair

State of Hawaii House of Representatives The Twenty-seventh Legislature

Record of Votes of the Committee on Consumer Protection and Commerce

Bill/Resolution No.:	Committee Referral:		Date:		
HB 2275	CPC, JUD	07	10114	·	
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. McKELVEY, Angus L.K. (C)	. /				
2. KAWAKAMI, Derek S.K. (VC)					
3. BELATTI, Della Au					
4. BROWER, Tom					
5. CACHOLA, Romy M.				-	
6. CREAGAN, Richard					
7. EVANS, Cindy	/			-	
8. HAR, Sharon E.					
9. ITO, Ken					
10. LEE, Chris					
11. NAKASHIMA, Mark M.					
12. OSHIRO, Marcus R.					
13. TSUJI, Clift				MOV.	
14. YAMANE, Ryan I.					
15. MCDERMOTT, Bob					
16. THIELEN, Cynthia					
				-	
				_	
TOTAL (16)	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					