STAND. COM. REP. NO. 260 -16

Honolulu, Hawaii March 24, 2016 RE: S.B. No. 2329 S.D. 1 H.D. 2

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2329, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SECURITY INTERESTS IN REAL PROPERTY,"

begs leave to report as follows:

The purpose of this measure is to require a mortgagee to release an associated security interest in leases or rents upon satisfaction and discharge of the mortgage.

Your Committee received testimony in support of this measure from one individual.

Your Committee finds that mortgagees are currently required to provide a mortgage release upon full satisfaction of the mortgage and discharge of any secured debt. However, no corresponding provision requires the release of an assignment of the borrower's security interest in leases or rents following full satisfaction and discharge of the mortgage. Your Committee further finds that requiring the release of a recorded assignment of leases or rents, following full satisfaction and discharge of the mortgage, will assist in clearing the public record of assignments that are no longer valid and will help to avoid unnecessary expenses in clearing improperly clouded title search results.



STAND. COM. REP. NO. **240** -16 Page 2

Your Committee has amended this measure by changing the effective date from July 1, 2050, to upon approval.

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 S.B. No. 2329, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 2329, S.D. 1, H.D. 2.

> 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-eighth Legislature



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

	amittee Referral:	Date:	2 01	2_16
SB2329 SDIADI WAL, CPC, FIN 3-23-16.				
□ 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)				
a Fass short form on with FID to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)				
2. WOODSON, Justin H. (VC)	<u>\</u>			
3. BELATTI, Della Au	/			
4. BROWER, Tom	/			
5. CREAGAN, Richard P.	/			
6. HAR, Sharon E.	/			
7. HASHEM, Mark J.				
8. KAWAKAMI, Derek S.K.				
9. LEE, Chris	/			
10. NAKASHIMA, Mark M.	/			
11. OSHIRO, Marcus R.				
12. SAN BUENAVENTURA, Joy A.	/			
13. TAKAYAMA, Gregg	/			
14. YAMANE, Ryan I.	/			
15. FUKUMOTO CHANG, Beth	1			
16. McDERMOTT, Bob				
				· · · · · · ·
		· · · · · · · · · · · · · · · · · · ·		
		+		
		<u> </u>		
		<u> </u>		
TOTAL (16)		0	$\bigcirc$	2
The recommendation is: Adopted O Not Adopted				
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				

.