

Honolulu, Hawaii

MAR 04 2016

RE: S.B. No. 2855
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 2855, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to make numerous
amendments to Hawaii's Mortgage Rescue Fraud Prevention Act, for
consistency with the federal Mortgage Assistance Relief Services
Rule.

Your Committee received testimony in support of this measure
from the Office of Consumer Protection of the Department of
Commerce and Consumer Affairs.

Your Committee finds that there was no federal counterpart to
Hawaii's Mortgage Rescue Fraud Prevention Act, which protects
consumers from mortgage rescue scams, until 2010, when the Federal
Trade Commission adopted the Mortgage Assistance Relief Services
Rule. Your Committee further finds that although the state law
and federal regulation are designed to protect consumers from
abusive mortgage relief practices, they take different approaches
to identify consumers who may be in need of protection. For
example, Hawaii's law focuses on properties already in distress,
while the federal regulation focuses more broadly on the nature of
mortgage assistance rescue services being offered. This measure
reformulates state law to resolve existing conflicts and
inconsistencies between the state law and federal regulations and
will enable enforcement agencies to provide increased protection



for vulnerable Hawaii homeowners who may be targeted by mortgage rescue scams.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2855, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2855, S.D. 2.

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



GILBERT S.C. KEITH-AGARAN, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* <div style="font-size: 1.2em; font-weight: bold;">SB 2855 SD1</div>	Committee Referral: <div style="font-size: 1.2em; font-weight: bold;">CPH, JDL</div>	Date: <div style="font-size: 1.2em; font-weight: bold;">3/11/16</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div> <input type="checkbox"/> Pass, unamended 2312 </div> <div> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div> <input type="checkbox"/> Hold 2310 </div> <div> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	/			
SHIMABUKURO, Maile S.L. (VC)	/			
GABBARD, Mike				/
KAHELE, Kaiali'i				/
KIM, Donna Mercado				/
THIELEN, Laura H.	/			
SLOM, Sam	/			
TOTAL	4			3
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div> <input checked="" type="checkbox"/> Adopted </div> <div> <input type="checkbox"/> Not Adopted </div> </div>				
Chair's or Designee's Signature: <div style="text-align: center; margin-top: 10px;"> </div>				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

*Only one measure per Record of Votes