

Honolulu, Hawaii March 14 , 2017

RE: S.B. No. 396 S.D. 1 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committees on Intrastate Commerce and Consumer Protection & Commerce, to which was referred S.B. No. 396, S.D. 1, entitled:

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

beg leave to report as follows:

The purpose of this measure is to:

- (1) Require a mortgagee or record assignee to provide to a mortgagor or borrower, upon full satisfaction of a mortgage and discharge of the secured debt, a reassignment or release of security interests in leases and rents that served as additional security for the mortgage;
- (2) Authorize title insurers or underwritten title companies to reassign or release mortgagees' security interests in leases and rents on behalf of the mortgagee or record assignee under certain conditions; and
- (3) Authorize certain entities to institute an action in any circuit court to obtain the release or reassignment



STAND. COM. REP. NO. 1270 Page 2

instrument in the absence of compliance of a mortgagee or record assignee.

The Department of Land and Natural Resources, Hawaii Association of REALTORS, Title Guaranty of Hawaii, Inc., and Mortgage Bankers Association of Hawaii supported this measure. Hawaii Financial Services Association offered comments.

Your Committees have amended this measure by:

- Changing its effective date to July 1, 2090, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Intrastate Commerce and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 396, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 396, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committees on Intrastate Commerce and Consumer Protection & Commerce,

ROY M. TAKUMI, Chair

akadu (3m

TAKASHI OHNO, Chair



State of Hawaii House of Representatives The Twenty-ninth Legislature



Record of Votes of the Committee on Intrastate Commerce

Bill/Resolution No.: Committee	e Referral:		3-21-	17				
□ The committee is reconsidering its previous decision on the measure.								
The recommendation is to: Image: Pass, unamended (as is) Image: Pass, with amendments (HD) Image: Hold Image: Pass short form bill with HD to recommit for future public hearing (recommit)								
IAC Members	Ayes	Ayes (WR)	Nays	Excused				
1. OHNO, Takashi (C)	~							
2. CHOY, Isaac W. (VC)								
3. CACHOLA, Romy M.								
4. ITO, Ken								
4. 110, Ken								
5. ONISHI, Richard H.K.								
6. TOKIOKA, James Kunane				<u> </u>				
				and and Distriction and a second				
7. WOODSON, Justin H.			v					
8. WARD, Gene								
TOTAL (8)	6			2				
The recommendation is: Adopted Not Adopted If joint referral,								
Vice Chair's or designee's signature:								
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO								

State of Hawaii House of Representatives The Twenty-ninth Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 396 SD/	Committee TAC	Referral: C/CPC	EN Date:	03/21	117
The committee is reconsidering its	previous decision	on the measure.			
	ass, unamended (ass short form bil		s, with amendments (l nmit for future public	-	
CPC Members		Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)					
2. ICHIYAMA, Linda (VC)					~
3. AQUINO, Henry J.C.	· · · ·			· · · · · · · · · · · · · · · · · · ·	
4. ITO, Ken					
5. SAY, Calvin K.Y.					
6. TAKAYAMA, Gregg					
7. TODD, Chris					
8. YAMANE, Ryan I.		>			
9. FUKUMOTO, Beth					
					-
TOTAL (9)		6	0	0	3
	Adopted pint referral,	Not Adopte committee acronym(ed did not suppor	t recommendation)n.
Vice Chair's or designee's signature:		Chin.	E.W		
Distribution: Original (White) – Con	mmittee Du	plicate (Yellow) -	Chief Clerk's Office	Duplicate (Pink) – HMSO