STAND. COM. REP. NO. 1678

Homolulu, Hawaii

, 2017

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 Committee on Finance, to which was referred S.B. No. 396, 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:

- (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 the security interests in leases or 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 appropriate release or reassignment instrument in the absence of compliance of a mortgagee or record assignee.

The Department of Land and Natural Resources, Title Guaranty of Hawaii, Inc., First Hawaii Title Corporation, dba Nextitle, a Title & Escrow Co., Hawaii Financial Services Association, and an individual supported this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 396, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA LUKE, Chair

## State of Hawaii House of Representatives The Twenty-ninth Legislature



## **Record of Votes of the Committee on Finance**

Bill/Resolution No.: SB 396, SD1, HD1	Committee Referral: I		Date: 03/31/2017	
☐ 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)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. CULLEN, Ty J.K. (VC)				
3. CACHOLA, Romy M.				
4. CHOY, Isaac W.	✓ ·			- 1111
5. DeCOITE, Lynn				2.4 1. 1. 1.
6. GATES, Cedric Asuega	✓			
7. HOLT, Daniel				
8. KEOHOKALOLE, Jarrett	$\checkmark$			
9. KOBAYASHI, Bertrand				
10. LoPRESTI, Matthew S.	✓ ————————————————————————————————————			
11. LOWEN, Nicole E.				
12. NAKAMURA, Nadine K.	<b>✓</b>			
13. TOKIOKA, James Kunane			N. F.	
14. QUINLAN, Sean				~
15. YAMASHITA, Kyle T.				
16. TUPOLA, Andria P.L.				/
17. WARD, Gene				<b></b>
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TOTAL (17)	15	Ø	Ø	2
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				