

STAND. COM. REP. NO.

212

Honolulu, Hawaii

FEB 06

, 2025

RE: H.B. No. 467
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Housing, to which was referred H.B. No. 467
entitled:

"A BILL FOR AN ACT RELATING TO FORECLOSURES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Prohibit sellers of foreclosed homes in a nonjudicial foreclosure from bundling properties at a public sale for sale to a single buyer and require each foreclosed home to be sold separately; and
- (2) Allow tenants, families, city and state government, affordable housing nonprofits, and community land trusts forty-five days to match or beat the best public sale bid to buy the property.

Your Committee received testimony in support of this measure from Lahaina Strong; Lahaina Community Land Trust; Northwest Community Land Trust Coalition; and numerous individuals.

Your Committee finds that the foreclosure moratorium for borrowers with Federal Housing Administration-insured mortgages on Maui expired on January 1, 2025. This measure ensures that foreclosed properties must have individual property auctions and

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cannot be bundled together, which allows residents to have a greater chance to submit competitive offers.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that community development financial institutions are currently collaborating with affected resident homeowners to develop proposals to bid on their property. Should your Committee on Consumer Protection & Commerce deliberate on this measure, your Committee respectfully requests that it consider whether to include community development financial institutions in the definition of an "eligible bidder" under this measure.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 467, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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

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LUKE A. EVSLIN, Chair

