

STAND. COM. REP. NO.

2037

Honolulu, Hawaii

APR 04 , 2025

RE: S.B. No. 332
S.D. 1
H.D. 3

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

Madame:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred S.B. No. 332, S.D. 1, H.D. 2, 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 mortgaged properties in a power of sale foreclosure from bundling properties at a public sale and require each mortgaged property to be bid on separately; and
- (2) Specify that the sale of a foreclosed property is not final until the earlier of either fifteen days after the public sale, if an eligible bidder submits a subsequent bid or written notice of intent to submit a subsequent bid, or forty-five days after the public sale, if an eligible bidder submits a subsequent bid.

Your Committee received testimony in support of this measure from 'Ahahui O Hawai'i; Lāhainā Strong; Native Hawaiian Legal Corporation; Lahaina Community Land Trust; and eight individuals.

2025-3153 SB332 HD3 HSCR HMSO



Your Committee finds that natural disasters and economic crises often lead to foreclosures, resulting in the loss of owner-occupied homes to investors, which can cause vacancies and property neglect. Your Committee believes it is crucial to ensure foreclosed homes remain accessible to tenants, families, and community organizations, as proposed by this measure, thereby protecting housing opportunities for local residents and community organizations and preventing the further erosion of affordable housing stock.

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

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 332, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 332, S.D. 1, H.D. 3.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



