

Honolulu, Hawaii

FEB 28 2025

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

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 332, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO FORECLOSURES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit sellers of foreclosed homes in a nonjudicial foreclosure from bundling properties at a public sale to a single buyer and require each foreclosed home to be sold separately; and
- (2) Allow tenants, families, city and state government agencies, 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 LIMBY Hawai'i, Hawaii Financial Services, Lāhainā Strong, HI Good Neighbor, Hana Business Council, and twenty-three individuals.

Your Committee finds that natural disasters and economic crises often cause homeowners to default on their mortgage payments, resulting in a wave of foreclosures. Your Committee further finds that some investors exploit foreclosure crises to



purchase foreclosed properties at the expense of local families. Accordingly, this measure prohibits the bulk sale of foreclosed properties, thereby providing residents with a better chance to submit more competitive offers to purchase a foreclosed property.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 332, S.D. 1, and recommends that it pass Third Reading.

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



KARL RHOADS, Chair



