

JAN 23 2026

A BILL FOR AN ACT

RELATING TO FORECLOSURES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 667, Hawaii Revised Statutes, is
2 amended by adding a new section to part IA to be appropriately
3 designated and to read as follows:

4 "§667- Eligible bidder; subsequent bid. (a)

5 Notwithstanding any other law to the contrary, the public sale
6 of a mortgaged property under a foreclosure by action process
7 pursuant to this part shall not be deemed final until the
8 earliest of the following:

9 (1) Fifteen days after the public sale, unless at least
10 one or more eligible bidders submits a:

11 (A) Subsequent bid that is equal to or exceeds the
12 amount of the latest and highest bid of the
13 successful bidder; or

14 (B) Nonbinding written notice of intent to place a
15 subsequent bid.

16 The bid or written notice of intent to place a
17 subsequent bid shall be sent to the mortgagee by



1 certified mail, overnight delivery, or another method
2 that allows for confirmation of the delivery date and
3 shall be received by the mortgagee no later than
4 fifteen days after the public sale; or

5 (2) Forty-five days after the public sale; provided that
6 during the forty-five-day period, an eligible bidder
7 may submit a subsequent bid in an amount that is equal
8 to or exceeds the latest and highest bid of the
9 successful bidder.

10 (b) If an eligible bidder submits a subsequent bid that is
11 equal to or exceeds the amount of the latest and highest bid of
12 the successful bidder, the eligible bidder shall be the final
13 successful bidder and make a nonrefundable downpayment to the
14 foreclosing mortgagee of no less than ten per cent of the
15 highest successful bid price.

16 (c) For the purposes of this section, "successful bidder"
17 means the highest bidder who meets the requirements of the terms
18 and conditions of the public sale."

19 SECTION 2. Section 667-1, Hawaii Revised Statutes, is
20 amended by adding three new definitions to be appropriately
21 inserted and to read as follows:



- 1 "Eligible bidder" means:
- 2 (1) An eligible tenant buyer;
- 3 (2) A prospective owner-occupant;
- 4 (3) A nonprofit corporation whose primary activity is the
5 development and preservation of affordable housing;
- 6 (4) A community land trust; or
- 7 (5) A state or county government department or agency.
- 8 "Eligible tenant buyer" means a natural person who, at the
9 time of a public sale, is:
- 10 (1) Occupying the mortgaged property as the person's
11 primary residence;
- 12 (2) Occupying the mortgaged property under a rental or
13 lease agreement; and
- 14 (3) Not the mortgagor or the child, spouse, or parent of
15 the mortgagor.
- 16 "Prospective owner-occupant" means a natural person who
17 presents to the mortgagee an affidavit stating that the person:
- 18 (1) Will occupy the mortgaged property as the person's
19 primary residence within sixty days of the deed being
20 recorded;



- 1 (2) Will maintain the person's occupancy in the mortgaged
- 2 property for at least one year;
- 3 (3) Is not the mortgagor or the child, spouse, or parent
- 4 of the mortgagor; and
- 5 (4) Is not acting as the agent of any other person or
- 6 entity in purchasing the mortgaged property."

7 SECTION 3. Section 667-29.5, Hawaii Revised Statutes, is
8 amended to read as follows:

9 **"667-29.5 Eligible bidder; subsequent bid. (a)**

10 Notwithstanding any other law to the contrary, the public sale
11 of a mortgaged property under a power of sale foreclosure
12 process pursuant to this part shall not be deemed final until
13 the earliest of the following:

14 (1) Fifteen days after the public sale, unless at least
15 one or more eligible bidders submits a:

16 (A) Subsequent bid that is equal to or exceeds the
17 amount of the latest and highest bid of the
18 successful bidder under section 667-29; or

19 (B) Nonbinding written notice of intent to place a
20 subsequent bid.



1 The bid or written notice of intent to place a
2 subsequent bid shall be sent to the mortgagee by
3 certified mail, overnight delivery, or another method
4 that allows for confirmation of the delivery date and
5 shall be received by the mortgagee no later than
6 fifteen days after the public sale; or

7 (2) Forty-five days after the public sale; provided that
8 during the forty-five-day period, an eligible bidder
9 may submit a subsequent bid in an amount that is equal
10 to or exceeds the latest and highest bid of the
11 successful bidder under section 667-29.

12 (b) If an eligible bidder submits a subsequent bid that is
13 equal to or exceeds the amount of the latest and highest bid of
14 the successful bidder under section 667-29, the eligible bidder
15 shall be the final successful bidder and make the nonrefundable
16 downpayment required under section 667-29.

17 ~~[(c) For the purposes of this section:~~

18 ~~"Eligible bidder" means:~~

19 ~~(1) An eligible tenant buyer;~~

20 ~~(2) A prospective owner occupant;~~



1 ~~(3) A nonprofit corporation whose primary activity is the~~
2 ~~development and preservation of affordable housing;~~

3 ~~(4) A community land trust; or~~

4 ~~(5) A state or county government department or agency.~~

5 ~~"Eligible tenant buyer" means a natural person who, at the~~
6 ~~time of a public sale, is:~~

7 ~~(1) Occupying the mortgaged property as the person's~~
8 ~~primary residence;~~

9 ~~(2) Occupying the mortgaged property under a rental or~~
10 ~~lease agreement; and~~

11 ~~(3) Not the mortgagor or the child, spouse, or parent of~~
12 ~~the mortgagor.~~

13 ~~"Prospective owner-occupant" means a natural person who~~
14 ~~presents to the mortgagee an affidavit stating that the person:~~

15 ~~(1) Will occupy the mortgaged property as the person's~~
16 ~~primary residence within sixty days of the deed being~~
17 ~~recorded;~~

18 ~~(2) Will maintain the person's occupancy in the mortgaged~~
19 ~~property for at least one year;~~

20 ~~(3) Is not the mortgagor or the child, spouse, or parent~~
21 ~~of the mortgagor; and~~



1 ~~(4) Is not acting as the agent of any other person or~~
2 ~~entity in purchasing the mortgaged property.]"~~

3 SECTION 4. This Act does not affect rights and duties that
4 matured, penalties that were incurred, and proceedings that were
5 begun before its effective date.

6 SECTION 5. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 6. This Act shall take effect upon its approval.

9

INTRODUCED BY: _____

A handwritten signature in black ink, consisting of a large, stylized initial 'J' followed by a long, horizontal stroke that tapers to the right.

S.B. NO. 2946

Report Title:

Judicial Foreclosures; Eligible Bidders; Subsequent Bids

Description:

Specifies that a judicial foreclosure sale is not final until the earliest of either fifteen days after the public sale, unless 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. Requires subsequent successful bidders to make a downpayment.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

