

## ACT 36

S.B. NO. 2910

A Bill for an Act Relating to Real Property.

*Be It Enacted by the Legislature of the State of Hawaii:*

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

**“§667- Buyer’s choice of title insurer and escrow agent.** (a) In connection with a judicial foreclosure or foreclosure by power of sale of residential property improved by four or fewer dwelling units, no foreclosing mortgagee or mortgagee who acquires the property through a foreclosure proceeding shall require, directly or indirectly, as a condition of selling the property, that the buyer purchase an owner’s title insurance policy covering the property or escrow service in connection with the sale of the property from a particular title insurer or escrow depository. This section shall not prohibit a buyer from agreeing to accept the services of a title insurer or an escrow depository recommended by the foreclosing mortgagee or mortgagee who acquires the property through the foreclosure proceeding if written notice of the right to make an independent selection of those services is first provided to the buyer by the foreclosing mortgagee or mortgagee who acquires the property through the foreclosure proceeding.

(b) A foreclosing mortgagee or mortgagee who acquires the property through a foreclosure proceeding who violates this section shall be liable to a buyer in an amount equal to three times all charges incurred in the purchase of the title insurance or escrow service.

(c) A transaction subject to this section shall not be invalidated solely because of the failure of any person to comply with any provision of this section.”

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect on July 1, 2010.

(Approved April 19, 2010.)

**Note**

1. Edited pursuant to HRS §23G-16.5.