
SENATE CONCURRENT RESOLUTION

REQUESTING THE ATTORNEY GENERAL OF THE STATE OF HAWAII TO
CONTINUE TO COLLABORATE WITH STATE AND FEDERAL AGENCIES,
INVESTIGATE INSTANCES OF WRONGFUL AND UNLAWFUL CONDUCT BY
LENDERS AND SERVICERS, AND TAKE APPROPRIATE ACTION.

1 WHEREAS, Hawaii has been experiencing a mortgage crisis
2 since 2004; and

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4 WHEREAS, the mortgage crisis resulted from a number of
5 widespread and unlawful or otherwise improper practices
6 involving residential mortgage loan origination, servicing, and
7 the provision of foreclosure services; and

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9 WHEREAS, unnecessary foreclosures of people's homes have
10 resulted in vacant homes, homelessness, and declining property
11 values and neighborhoods; and

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13 WHEREAS, mortgage defaults led to a record number of
14 foreclosures across the nation and in Hawaii; and

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16 WHEREAS, from 2006 through 2009, there were more than six
17 million foreclosures nationwide as compared to only 100,000
18 foreclosures in 2005; and

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20 WHEREAS, the national rate for foreclosures has increased
21 an additional twenty-three percent since 2008, with
22 approximately 2.9 million home mortgages in the United States in
23 foreclosure in 2010; and

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25 WHEREAS, the ongoing housing crisis and significant
26 increase in mortgage delinquencies and foreclosures have
27 exacerbated the current financial crisis; and

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29 WHEREAS, it appears there were numerous fraudulent loan
30 transfers, assignments of mortgage, and quitclaim deeds, and



1 their filing statuses were therefore inaccurate due to illegal
2 loan transfers and lack of recordation at the state level; and
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4 WHEREAS, fraudulent and improper practices have clouded
5 property title in Hawaii and damaged borrowers and subsequent
6 purchasers; and
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8 WHEREAS, according to the Federal Bureau of Investigation,
9 mortgage fraud is a growing criminal threat that is hurting
10 homeowners, businesses, and the national economy; and
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12 WHEREAS, in the fall of 2010, nationwide reports exposed
13 fraudulent foreclosure filings, which included the practice of
14 signing mortgage documents without first verifying the contents,
15 a practice often referred to as "robo-signing"; and
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17 WHEREAS, many lawsuits were filed in response to the
18 fraudulent activities of lenders and servicers, including a
19 \$16,500,000,000 class action lawsuit against Merrill Lynch for
20 providing misleading documents; and
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22 WHEREAS, the United States Department of Justice, United
23 States Department of Housing and Urban Development, and the
24 fifty state attorneys general have been actively and jointly
25 investigating wrongful conduct by lenders and servicers; and
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27 WHEREAS, the joint multistate investigation recently
28 resulted in a settlement with the United States Department of
29 Justice, United States Department of Housing and Urban
30 Development, forty-nine state attorneys general, the District of
31 Columbia, and the nation's five largest lenders and servicers;
32 and
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34 WHEREAS, the settlement addresses certain wrongful conduct
35 by the five largest lenders and servicers and benefits
36 struggling homeowners by providing certain types of foreclosure
37 relief; and
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39 WHEREAS, the settlement agreement provided the five largest
40 lenders and servicers a limited release, and investigations are
41 ongoing regarding claims that were not released and claims
42 against other lenders and servicers; now, therefore,
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1 BE IT RESOLVED by the Senate of the Twenty-sixth
2 Legislature of the State of Hawaii, Regular Session of 2012, the
3 House of Representatives concurring, that the Attorney General
4 of the State of Hawaii is requested to continue to collaborate
5 with appropriate state and federal agencies, investigate
6 instances of wrongful and unlawful conduct by lenders and
7 servicers, and take appropriate action; and

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9 BE IT FURTHER RESOLVED that certified copies of this
10 Concurrent Resolution be transmitted to the Governor, Attorney
11 General, and Director of Commerce and Consumer Affairs.