

Honolulu, Hawaii

MAR 06 2015

RE: S.B. No. 1093
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1093, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MORTGAGE SERVICERS,"

begs leave to report as follows:

The purpose and intent of this measure is to strengthen consumer protections in the servicing of residential mortgage loan payments.

Specifically, this measure clarifies and enhances mortgage servicer requirements, including:

- (1) Licensing;
- (2) Crediting of payments;
- (3) Fees for services;
- (4) The handling of consumer complaints and inquiries;
- (5) The provision of notices, disclosures, and loss mitigation options, and other duties to borrowers;
- (6) Recordkeeping;
- (7) Surety bonding; and
- (8) Prohibited activities.



Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that mortgage servicers collect and process residential mortgage loan payments. Your Committee further finds that borrowers in Hawaii may find it difficult to obtain the attention they desire from mainland mortgage servicers that lack a physical presence in the State. This measure amends the Mortgage Servicers law under Chapter 454M, Hawaii Revised Statutes, to establish important requirements for mortgage servicers to meet the needs of consumers, including surety bonding, providing specific information to borrowers about their mortgages, and offering loss mitigation options to assist borrowers with avoiding foreclosure.

Your Committee has amended this measure by:

- (1) Correcting a reference to the name of the Home Affordable Modification Program in the new definition of that term; and
- (2) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1093, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1093, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



JILL N. TOKUDA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB1093 SD1	CPN, WAM	2/27/15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne				✓
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.				✓
SLOM, Sam	✓			
TOTAL	8	0	0	3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes