
A BILL FOR AN ACT

RELATING TO THE MORTGAGE LOAN RECOVERY FUND.

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

1 SECTION 1. Section 454F-41, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) The commissioner shall establish and maintain a fund
4 that shall be known as the mortgage loan recovery fund [~~from~~
5 ~~which any person~~] to compensate persons aggrieved by [an] a
6 licensee, as follows:

7 (1) Any person aggrieved by a licensee's act,
8 representation, transaction, or conduct [~~of a~~
9 ~~licensee~~] involving fraud, misrepresentation, or
10 deceit in violation of this chapter may recover, by
11 order or final judgment of the circuit court or
12 district court of the county where the violation
13 occurred, an amount of ten per cent of the residential
14 mortgage loan, but not more than \$150,000, including
15 court costs and fees as set by law and reasonable
16 attorney fees as determined by the court, for damages



1 sustained by the fraud, misrepresentation, or deceit
2 of a licensee; or
3 (2) Any person aggrieved by a licensee's act,
4 representation, transaction, or conduct involving
5 fraud, misrepresentation, or deceit in violation of
6 this chapter and not covered by paragraph (1) may
7 receive restitution, by order of the director of
8 commerce and consumer affairs and to be paid from the
9 mortgage loan recovery fund, of not more than \$25,000
10 per person for financial loss resulting from the
11 violation."

12 SECTION 2. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 3. This Act shall take effect on July 1, 2020.



Report Title:

Mortgage Loan Recovery Fund; Restitution

Description:

Expands the pool of persons eligible to receive restitution from the Mortgage Loan Recovery Fund. Authorizes the Director of Commerce and Consumer Affairs to issue orders for restitution.
(HD1)

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