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# A BILL FOR AN ACT

RELATING TO THE MORTGAGE RESCUE FRAUD PREVENTION ACT.

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

1           SECTION 1. Chapter 480E, Hawaii Revised Statutes, is  
2 amended by adding three new sections to be appropriately  
3 designated and to read as follows:

4           "§480E-A Mortgage rescue fraud; consumer education. The  
5 office of consumer protection shall educate consumers about  
6 fraudulent activities that may be committed against homeowners  
7 who face property foreclosures, liens, or encumbrances, as  
8 appropriate.

9           §480E-B Criminal penalties. Any person who violates  
10 section 480E-10 is guilty of a class C felony and, in addition  
11 to any other penalties, shall be fined \$10,000.

12           §480E-C Disposition of collected fines. All fines  
13 collected under section 480E-B or 480E-11 shall be deposited  
14 into the compliance resolution fund established pursuant to  
15 section 26-9(o)."

16           SECTION 2. Section 480E-11, Hawaii Revised Statutes, is  
17 amended by amending its title to read as follows:



1           "~~[+]S480E-11[+] Violation,~~ Unfair or deceptive act or  
2 practice; penalties."

3           SECTION 3. In codifying the new sections added by section  
4 1 of this Act, the revisor of statutes shall substitute  
5 appropriate section numbers for the letters used in designating  
6 the new sections in this Act.

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

10          SECTION 5. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12          SECTION 6. This Act shall take effect on July 1, 2012.



**Report Title:**

Property Foreclosures, Liens, and Encumbrances; Mortgage Rescue Fraud Prevention Act

**Description:**

Requires the office of consumer protection to educate consumers about fraudulent activities that may be committed against homeowners who face property foreclosures, liens, or encumbrances, as appropriate. Establishes criminal penalties and a mandatory fine for certain violations of the mortgage rescue fraud prevention act. (SD1)

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

