

Honolulu, Hawaii
March 24, 2016

RE: S.B. No. 2329
S.D. 1
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2329, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SECURITY INTERESTS IN REAL PROPERTY,"

begs leave to report as follows:

The purpose of this measure is to require a mortgagee to release an associated security interest in leases or rents upon satisfaction and discharge of the mortgage.

Your Committee received testimony in support of this measure from one individual.

Your Committee finds that mortgagees are currently required to provide a mortgage release upon full satisfaction of the mortgage and discharge of any secured debt. However, no corresponding provision requires the release of an assignment of the borrower's security interest in leases or rents following full satisfaction and discharge of the mortgage. Your Committee further finds that requiring the release of a recorded assignment of leases or rents, following full satisfaction and discharge of the mortgage, will assist in clearing the public record of assignments that are no longer valid and will help to avoid unnecessary expenses in clearing improperly clouded title search results.



Your Committee has amended this measure by changing the effective date from July 1, 2050, to upon approval.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2329, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 2329, S.D. 1, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



