

MAR 15 2006

SENATE CONCURRENT RESOLUTION

REQUESTING THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS TO
CONVENE A TASK FORCE TO CONSIDER THE REGULATION OF MORTGAGE
BROKERS BY THE DIVISION OF FINANCIAL INSTITUTIONS.

1 WHEREAS, mortgage brokers are fundamental to the banking
2 and loan business and owe general fiduciary duties to borrowers;
3 and
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5 WHEREAS, mortgage brokers are currently regulated by the
6 Professional and Vocational Licensing Division and the Regulated
7 Industry Complaints Office of the Department of Commerce and
8 Consumer Affairs; and
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10 WHEREAS, the Division of Financial Institutions of the
11 Department of Commerce and Consumer Affairs regulates all other
12 aspects of the mortgage lending and banking industry; and
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14 WHEREAS, the transfer of the regulatory control of the
15 mortgage brokers to the Division of Financial Institutions would
16 place all aspects of the mortgage lending industry under one
17 regulatory body; now, therefore,
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19 BE IT RESOLVED by the Senate of the Twenty-third
20 Legislature of the State of Hawaii, Regular Session of 2006, the
21 House of Representatives concurring, that the Director of
22 Commerce and Consumer Affairs is requested to convene a Task
23 Force to consider:
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25 (1) Whether there should be a transfer of the regulation
26 of mortgage brokers to the Division of Financial
27 Institutions;
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29 (2) The regulatory scheme to be employed if such a
30 transfer is recommended; and
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32 (3) Other changes to the existing regulatory scheme even
33 if no such transfer is recommended; and



1 BE IT FURTHER RESOLVED that the Task Force membership shall
2 be comprised as follows:

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- 4 (1) One person designated by the Director of Commerce and
5 Consumer Affairs representing the Division of
6 Financial Institutions;
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- 8 (2) One person designated by the Director of Commerce and
9 Consumer Affairs representing the Professional
10 Vocational Licensing Division;
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- 12 (3) One person designated by the Director of Commerce and
13 Consumer Affairs representing the Regulated Industries
14 Complaints Office;
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- 16 (4) Three persons representing the Hawaii Association of
17 Mortgage Brokers;
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- 19 (5) Three persons representing the Hawaii Bankers
20 Association;
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- 22 (6) Three persons representing the Hawaii Financial
23 Services Association;
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- 25 (7) Three persons representing the Mortgage Bankers
26 Association of Hawaii;
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- 28 (8) Three persons representing the Hawaii Credit Union
29 League;
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- 31 (9) One person representing State Farm Insurance Companies
32 and State Farm Bank;
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- 34 (10) One person representing Primerica Financial Services
35 Home Mortgages, Inc.; and
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- 37 (11) One person representing the Hawaii Association of
38 Realtors; and
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40 BE IT FURTHER RESOLVED that the Director of Commerce and
41 Consumer Affairs shall submit a report to the Legislature no
42 later than thirty days prior to the convening of the Regular
43 Session of 2007, containing the recommendations of the Task



1 Force, and shall also submit any proposed legislation that has
2 the unanimous support of the Task Force members; and
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4 BE IT FURTHER RESOLVED that the Task Force members are
5 requested to serve on a voluntary basis and to assume
6 responsibility for any costs associated with their participation
7 on the Task Force; and
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9 BE IT FURTHER RESOLVED that certified copies of this
10 Concurrent Resolution be transmitted to the Director of Commerce
11 and Consumer Affairs, the Commissioner of Financial
12 Institutions, the Hawaii Association of Mortgage Brokers, the
13 Hawaii Bankers Association, the Hawaii Financial Services
14 Association, the Mortgage Bankers Association of Hawaii, the
15 Hawaii Credit Union League, State Farm Insurance Companies and
16 State Farm Bank, Primerica Financial Services Home Mortgages,
17 Inc., and the Hawaii Association of Realtors.
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OFFERED BY:

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