H.B. NO. 183

1

A BILL FOR AN ACT

RELATING TO MORTGAGE BROKERS AND SOLICITORS.

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

1	SECT	ION 1. Section 454-2, Hawaii Revised Statutes, is
2	amended t	o read as follows:
3	"§ 4 5	4-2 Exemptions. This chapter does not apply to the
4	following	:
5	(1)	Banks, <u>bank holding companies</u> , trust companies,
6		building and loan associations, pension trusts, credit
7		unions, insurance companies, financial services loan
8		companies, or federally licensed small business
9		investment companies, authorized under any law of this
10		State or of the United States to do business in the
11		State; all of their operating subsidiaries and
12		subsidiaries that a bank or credit union has been
13		granted federal approval to invest in, own or operate,
14		and any exclusive agent of a bank, a savings
15		association, or a credit union;
16	(2)	A person making or acquiring a mortgage loan with
17		one's own funds for one's own investment without
18		intent to resell the mortgage loan;

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1	(3)	A person licensed to practice law in the State, not
2		actively and principally engaged in the business of
3		negotiating loans secured by real property, when the
4		person renders services in the course of the person's
5		practice as an attorney;
6	(4)	A person licensed as a real estate broker or
7		salesperson in the State, not actively engaged in the
8		business of negotiating loans secured by real
9		property, when the person renders services in the
10		course of the person's practice as a real estate
11		broker or salesperson;
12	(5)	An institutional investor negotiating, entering into,
13		or performing under a loan purchase agreement for its
14		portfolio, for subsequent resale to other
15		institutional investors, or for placement of the
16		mortgages into pools or packaging them into mortgage-
17		backed securities. As used in this paragraph, "loan
18		purchase agreement" means an agreement or arrangement
19		under which a bank, savings and loan, credit union,
20		financial services loan company, or other financial
21		institution registered to do business in the State of
22		Hawaii agrees to sell mortgage loans or obtain funding



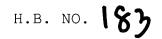
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1		therefor, with or without the transfer of servicing
2		rights, to an institutional investor;
3	(6)	Foreign lender as defined in section 207-11; and
4	(7)	A person licensed under chapter 467 as a real estate
5		broker or salesperson selling time share interests on
6		behalf of a time share plan developer that is licensed
7		as a mortgage broker under this chapter; provided
8		that:
9		(A) The acts or conduct of a developer's authorized
10		representative shall be deemed to be the acts or
11		conduct of the developer for the purposes of
12		section 454-4; and
13		(B) If the person engages in acts or conduct
14		prohibited under section 454-4(a), the acts or
15		conduct shall constitute grounds for disciplinary
16		action under section 467-14."
17	SECT	ION 2. New statutory material is underscored.
18	SECT	ION 3. This Act shall take effect upon its approval.
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		INTRODUCED BY:

JAN 1 8 2007





Report Title: Mortgage Brokers and Solicitors

Description:

Exempts bank holding companies from mortgage broker and solicitor requirements.

