

STAND. COM. REP. NO.

1523

Honolulu, Hawaii

March 27, 2007

RE: S.B. No. 1006

S.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 1006, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MORTGAGE BROKERS AND SOLICITORS,"

begs leave to report as follows:

The purpose of this bill is to eliminate duplicate regulation of mortgage brokers and solicitors by exempting savings associations and the operating subsidiaries of banks from mortgage broker and solicitor licensing requirements under Chapter 454, Hawaii Revised Statutes (HRS).

The Department of Commerce and Consumer Affairs (DCCA), Central Pacific Bank, and Central Pacific HomeLoans testified in support of this bill. Primerica Financial Services Home Mortgages, Inc., submitted comments.

Your Committee finds that mortgage brokers and solicitors working in banks are regulated by DCCA's Division of Financial Institutions (DFI) under Chapter 412, HRS. Mortgage brokers and solicitors who work in a bank's operating subsidiary, however, are regulated by both DFI and DCCA's Professional and Vocational Licensing Division (PVLVD) under Chapter 454, HRS. While there is currently an exemption from PVLVD regulation for banks that have mortgage operations, there is no specific exemption for the operating subsidiaries of a bank. This bill seeks to eliminate this duplicate regulation by exempting mortgage brokers and

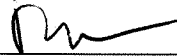
SB1006 SD1 HSCR CPC HMS 2007-3257



solicitors of a bank's operating subsidiaries from PVLD regulation.

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. 1006, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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



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ROBERT N. HERKES, Chair



State of Hawaii  
House of Representatives  
The Twenty-fourth Legislature

## Record of Votes of the Committee on Consumer Protection & Commerce

<b>Bill/Resolution No.:</b> <div style="text-align: center;">SB 1006 SD 1</div>		<b>Date:</b> <div style="text-align: center;">March 19, 2007</div>		
<b>Committee Referral:</b> <div style="text-align: center;">CPC</div>		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
<b>The recommendation is to:</b> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Pass, unamended  <input type="checkbox"/> Hold         </div> <div style="width: 45%;"> <input type="checkbox"/> Pass, with amendments  <input type="checkbox"/> Pass, with amendments, for recommittal for further consideration         </div> </div>				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)	✓			✓
2. McKELVEY, Angus L.K. (VC)	✓			
3. CALDWELL, Kirk	✓			
4. EVANS, Cindy	✓			
5. GREEN, Josh, M.D.	✓			
6. ITO, Ken	✓			
7. LUKE, Sylvia	✓			
8. MORITA, Hermina M.	✓			
9. SONSON, Alex M.	✓			
10. SOUKI, Joseph M.	✓			
11. TSUJI, Clift	✓			
12. YAMANE, Ryan I.	✓			
13. YAMASHITA, Kyle T.	✓			
14. MARUMOTO, Barbara C.	✓			
15. THIELEN, Cynthia				✓
<b>TOTAL</b>	13			2
<b>The recommendation is:</b> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Adopted  <input type="checkbox"/> Not Adopted         </div> <div style="width: 45%;">           If joint referral, _____ did not support recommendation.  <div style="text-align: center; font-size: small;">committee acronym(s)</div> </div> </div>				
<b>Vice Chair's or designee's signature:</b> <div style="text-align: center; margin-top: 5px;"> </div>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – HMSO    Duplicate (Pink) – Clerk's Office				