

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 1006
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred S.B. No. 1006 entitled:

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

begs leave to report as follows:

The purpose of this measure is to exempt bank holding companies; subsidiaries of a bank that have been granted approval by the federal government to invest in, own, or operate; exclusive agents of a bank, savings association, or credit union; and operating subsidiaries of a bank or credit union from the regulations that govern mortgage brokers and solicitors.

Your Committee received testimony in support of this measure from Central Pacific Bank and Central Pacific HomeLoans. First Hawaiian Bank submitted testimony in opposition to this measure. The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs; the Regulated Industries Complaint Office of the Department of Commerce and Consumer Affairs; Primerica Financial Services Home Mortgages, Inc.; and the Hawaii Credit Union League submitted comments on this measure.

Your Committee finds that mortgage brokers and solicitors who work in a bank fall within the regulatory scheme of the Division of Financial Institutions. If a bank has a wholly owned subsidiary with mortgage brokers and solicitors, those brokers and solicitors fall with the regulatory scheme of both the Division of



Financial Institutions and the Division of Professional and Vocational Licensing.

Your Committee further finds that the Division of Financial Institutions' regulatory scheme is more stringent, and therefore, your Committee has amended this measure to provide a narrow exemption for mortgage brokers and solicitors of a wholly owned bank subsidiary from the regulation of the Division of Professional and Vocational Licensing. In addition, your Committee has amended this measure to make technical, nonsubstantive changes for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1006, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1006, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Affordable
Housing,


BRIAN T. TANIGUCHI, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:* SB 1006	Committee Referral: CPH	Date: 2/22/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
IHARA, Jr., Les				✓
SAKAMOTO, Norman				✓
SLOM, Sam	✓			
TOTAL	4			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">David Y. Ige</div>				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes