

HAWAII FINANCIAL SERVICES ASSOCIATION

c/o Marvin S.C. Dang, Attorney-at-Law

P.O. Box 4109

Honolulu, Hawaii 96812-4109

Telephone No.: (808) 521-8521

Fax No.: (808) 521-8522

LATE

February 22, 2008

Senator Rosalyn H. Baker, Chair,
and members of the Senate Committee on Ways & Means
Hawaii State Capitol
Honolulu, Hawaii 96813

Re: **Senate Bill 3010, Senate Draft 1 (Residential Mortgage Practices)**
Hearing Date/Time: Friday, February 22, 2008, 11:00 A.M.

We are the attorneys for the Hawaii Financial Services Association ("HFSA"). The HFSA is the trade association for Hawaii's financial services loan companies.

The HFSA supports the intent of this Bill.

The purpose of this Bill is to repeal the law on mortgage brokers and solicitors under chapter 454, Hawaii Revised Statutes, and replace it with a statute that provides for regulation of mortgage brokers and loan originators by the division of financial institutions.

Financial services loan companies (and other financial institutions such as banks, savings banks, credit unions, and others) are not considered a "mortgage broker" under existing law (Chapter 454 of the Hawaii Revised Statutes) and under this Bill. And, this should not change.

However, the HFSA and other trade associations for mortgage lenders have an interest in how lending issues are addressed by this Bill so that legitimate mortgage lending is not adversely impacted by overly broad legislation or by unforeseen consequences.

The HFSA was a member of the Mortgage Broker Task Force of the Commissioner of Financial Institutions in 2006 and has an interest in this and other mortgage broker legislation.

The HFSA understands that various provisions in this Bill will need to be revised. The HFSA is willing to work with interested parties and your Committee to craft an acceptable bill.

Thank you for your consideration.

Marvin S.C. Dang

MARVIN S.C. DANG

PAUL HOLTROP

Attorneys for Hawaii Financial Services Association

(MSCD/hfsa)