

JAN 21 2010

S.B. NO. 2254

---

---

# A BILL FOR AN ACT

RELATING TO MORTGAGE LOAN ORIGINATORS.

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

1           SECTION 1. Section 454F-2, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           " ~~[+] §454F-2~~ **Exemptions.** This chapter shall not apply  
4 to the following:

- 5           (1) A registered mortgage loan originator, when acting for  
6 an insured depository institution, a subsidiary of an  
7 insured depository institution regulated by a federal  
8 banking agency, or an institution regulated by the  
9 Farm Credit Administration;
- 10          (2) Any individual who offers or negotiates terms of a  
11 residential mortgage loan with, or on behalf of, an  
12 immediate family member of the individual;
- 13          (3) Any individual who offers or negotiates terms of a  
14 residential mortgage loan secured by a dwelling that  
15 served as the individual's residence;
- 16          (4) A licensed attorney who negotiates the terms of a  
17 residential mortgage loan on behalf of a client as an



1 ancillary matter to the attorney's representation of  
2 the client unless the attorney is compensated by a  
3 lender, a mortgage broker, or other mortgage loan  
4 originator or by an agent of a lender, mortgage  
5 broker, or other mortgage loan originator;

6 (5) An individual engaging solely in loan processor or  
7 underwriter activities; provided that an individual,  
8 including an independent contractor, who performs the  
9 services of a loan processor or underwriter shall not  
10 represent to the public, through advertising or other  
11 means of communicating or providing information,  
12 including the use of business cards, stationery,  
13 brochures, signs, rate lists, or other promotional  
14 items, that the individual can or will perform any of  
15 the activities of a mortgage loan originator, and any  
16 loan processor or underwriter, including an  
17 independent contractor, who advertises that the  
18 individual can or will perform any of the activities  
19 of a mortgage loan originator or engages in the  
20 activities of a mortgage loan originator shall not be  
21 exempt under this chapter and shall obtain and  
22 maintain a license under this chapter and a valid



- 1 unique identifier issued by the Nationwide Mortgage  
2 Licensing System;
- 3 (6) A person or entity that only performs real estate  
4 brokerage activities and is licensed or registered by  
5 the State unless the person or entity is compensated  
6 by a lender, a mortgage broker, or other mortgage loan  
7 originator or by an agent of the lender, mortgage  
8 broker, or other mortgage loan originator; ~~[or]~~
- 9 (7) A person or entity solely involved in extensions of  
10 credit relating to timeshare plans, as the term is  
11 defined in Section 101(53D) of Title 11, United States  
12 Code [-]; or
- 13 (8) A nonprofit organization that is recognized as tax  
14 exempt under section 501 (with respect to exemption  
15 from tax on corporations, certain trusts, etc.) of the  
16 Internal Revenue Code, and whose primary activity is  
17 construction, remodeling, or rehabilitation of homes  
18 for use by low-income families; provided that:
- 19 (A) The nonprofit organization makes no-profit  
20 mortgage loans to low-income families; and



1           (B) No fees accrue directly to the nonprofit  
2           organization from the no-profit mortgage loans in  
3           subparagraph (A)."

4           SECTION 2. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6           SECTION 3. This Act shall take effect upon its approval.

7

INTRODUCED BY: Norman Sakomfo



**Report Title:**

Mortgage Loan Originators; Nonprofit Organizations; Exemption

**Description:**

Exempts certain nonprofit organizations from chapter 454F, Hawaii Revised Statutes, relating to mortgage loan originators.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

