

Honolulu, Hawaii

APR 23 2010

, 2010

RE: S.B. No. 2603
S.D. 2
H.D. 2
C.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2603, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to bring the mortgage loan originator licensing laws into full compliance with the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (S.A.F.E. Mortgage Licensing Act of 2008).

Your Committee finds that this measure complies with the requirements of the federal S.A.F.E. Mortgage Licensing Act of 2008. Your Committee further finds that the purpose of the S.A.F.E. Mortgage Licensing Act of 2008 is to "increase uniformity, reduce regulatory burden, enhance consumer protection, and reduce fraud" by encouraging the states to regulate the mortgage industry.



Your Committee finds that this measure is necessary to ensure that the State retains its power to regulate the intrastate mortgage lending industry. The State risks ceding that power to the federal government if the State's mortgage loan originator licensing laws fail to comply with the federal standards set out in the federal S.A.F.E. Mortgage Licensing Act of 2008. This measure contains the necessary statutory provisions to comply with the requirements of the federal law.

Your Committee has amended this measure by:

- (1) Clarifying the use of appropriated funding to cover the hiring of personnel to establish and maintain the licensing regime created by this measure;
- (2) Setting the Mortgage Loan Recovery Fund fee amount applicable to branch offices of mortgage loan originator companies;
- (3) Setting the amounts of the initial application fee, annual license renewal fee, reinstatement fee, late fee, and criminal background check fee applicable to mortgage loan originators and the principal and branch offices of mortgage loan originator companies;
- (4) Setting the fee applicable to information amendments requiring review by the Commissioner of Financial Institutions;
- (5) Clarifying that all application fees are nonrefundable;
- (6) Clarifying compliance for mortgage brokers or mortgage solicitors holding a license that is valid under chapter 454, Hawaii Revised Statutes, as of December 31, 2010;
- (7) Clarifying that obtaining a licensing determination under this chapter will automatically terminate a license issued under chapter 454, Hawaii Revised Statutes;
- (8) Inserting a severability clause pertaining to the mortgage broker or mortgage solicitor requirements of licensure provision;
- (9) Including an appropriation to establish and maintain the licensing regime created by chapter 454F, Hawaii Revised



Statutes, including the hiring of and continued funding for the positions authorized by section 11 of Act 32, Special Session Laws of Hawaii 2009;

- (10) Making the measure effective on July 1, 2010; provided that sections 6, 7, 25, and 29 shall take effect on January 1, 2011; and provided further that sections 30 and 31 shall take effect upon approval; and
- (11) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2603, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2603, S.D. 2, H.D. 2, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



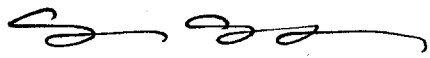
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