

Honolulu, Hawaii

AP-11, 2010

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

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 2603, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to facilitate the effective regulation of mortgage loan originators under the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act), Chapter 454F, Hawaii Revised Statutes, by:

- (1) Making amendments to the application, licensing, and regulatory requirements of the SAFE Act;
- (2) Establishing the Mortgage Loan Recovery Fund to protect consumers harmed by violations of the SAFE Act;
- (3) Including mortgage loan originator companies under the regulation of the SAFE Act; and
- (4) Appropriating funds to hire staff within the Department of Commerce and Consumer Affairs' (DCCA) Division of Financial Institutions to effectuate the purposes of the SAFE Act.



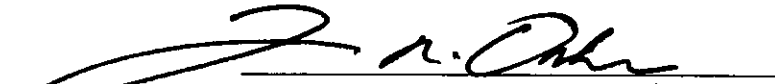
The Hawaii Association of Mortgage Brokers supported this bill. DCCA, the Department of Budget and Finance, and Hawaii Financial Services Association provided comments.

Your Committee has amended this bill by:

- (1) Clarifying what entities must register with the Nationwide Mortgage Licensing System under the SAFE Act;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

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

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



