

SB 2612



LINDA LINGLE
GOVERNOR
JAMES R. AIONA, JR.
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
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HONOLULU, HAWAII 96809
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LAWRENCE M. REIFURTH
DIRECTOR
RONALD BOYER
DEPUTY DIRECTOR

TO THE
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
THE TWENTY-FIFTH STATE LEGISLATURE
REGULAR SESSION OF 2010

Wednesday, February 17, 2010
9:15 a.m.

TESTIMONY ON S.B. NO. 2612 - RELATING TO
MORTGAGE LOAN ORIGINATORS

THE HONORABLE ROSALYN H. BAKER, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Nick Griffin, Commissioner of Financial Institutions, testifying on behalf of the Department of Commerce and Consumer Affairs ("Department"). We appreciate the opportunity to testify in opposition to Senate Bill No. 2612 relating to mortgage loan originators.

The Department opposes this bill because it conflicts with federal legislation to which it relates, namely the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 ("SAFE Act").

The purpose of the bill is to amend Chapter 454F, Hawaii Revised Statutes ("HRS") by (1) removing all exemptions from licensure under the statute, thereby making all persons who originate residential mortgage loans in this State subject to licensure; (2) imposing stricter criteria for testing by requiring a mortgage loan originator to retake a test if he or she has failed to maintain a valid license for five years; and (3) deleting the definition of "clerical and support duties," "immediate family member," "insured depository institution," "loan processor or underwriter," and "registered mortgage loan originator."

With one exception, the language that this bill seeks to revise comes directly from the federal SAFE Act, raising a concern that this measure may create a material discrepancy between certain provisions in our State law and equivalent provisions under the SAFE Act. If the U.S. Department of Housing and Urban Development ("HUD"), which is charged with the implementation of the SAFE Act, were to make such a finding, it would determine Hawaii's law to be non-compliant and in conflict with federal law. We believe that the amendments to Chapter 454F, HRS, proposed in S.B. 2612 represent, and do indeed create, material, non-compliant discrepancies vis-à-vis the SAFE Act. As one example, the SAFE Act has exempted from state licensing requirements mortgage loan originators when they are acting for a depository institution, a subsidiary of a depository institution regulated by a federal banking agency, or an institution regulated by the Farm Credit Administration. To the extent that this measure purports to revoke this federally-granted exemption, a conflicting provision such as this in the State law would undoubtedly be found to be invalid and unenforceable as a result of preemption by the federal statute.

The one exception noted above involves the deletion of the exemption contained in Section 454F-2(5), HRS, regarding independent contractor underwriters and loan processors that originate loans. HUD has already notified the Department that this section of Chapter 454F, HRS is not SAFE Act compliant and conflicts with federal law. The Department concurs that Chapter 454F, HRS must be amended to delete that particular exemption; however we note that Senate Bill No. 2603, which was passed out of this Committee as Senate Draft 1, deletes that exemption. Similarly, the testing criteria, as well as the definitions proposed to be deleted, originate from and track word-for-word the language used in the SAFE Act.

Accordingly, because Senate Bill No. 2612 contains provisions that appear to materially conflict with federal law, the Department must oppose this measure.

Thank you for the opportunity to testify. I would be happy to respond to any questions you may have.



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Honolulu, HI 96813-4203

Presentation to the Senate Committee on Commerce and Consumer Protection

Wednesday, February 17, 2010, at 9:15 am, Conf Rm 229

Testimony for SB 2612 Relating to Mortgage Loan Originators

TO: The Honorable Rosalyn H. Baker, Chair
The Honorable David Y. Ige, Vice Chair
Members of the Senate Committee on Commerce and Consumer Protection

My name is Neal Okabayashi of First Hawaiian Bank testifying for the Hawaii Bankers Association. We oppose SB 2612 because it violates the SAFE Act. The exemptions in our law are based on exemptions in the SAFE Act and the model act, and cannot be amended.

Thank you for this opportunity to testify, and I would be happy to answer any questions the Committee may have.



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Web site: www.hcul.org
Email: info@hcul.org



Testimony to the Senate Committee on Commerce and Consumer Protection
Wednesday, February 17, 2010 at 9:15 am

Testimony opposing SB 2612 Relating to Mortgage Loan Originators

To: The Honorable Rosalyn Baker, Chair
The Honorable David Ige, Vice-Chair
Members of the Committee on Commerce & Consumer Protection

My name is Stefanie Sakamoto and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for 90 Hawaii credit unions, representing approximately 810,000 credit union members across the state.

We are in opposition to SB 2612, Relating to Mortgage Loan Originators. We are opposed to this bill because it would violate the SAFE Act.

Thank you for the opportunity to testify.

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

February 17, 2010

Sen. Rosalyn H. Baker, Chair,
and members of the Senate Committee on Commerce and Consumer Protection
Hawaii State Capitol
Honolulu, Hawaii 96813

Re: **Senate Bill 2612 (Mortgage Loan Originators)**
Hearing Date/Time: Wednesday, February 17, 2010, 9:15 A.M.

I am the attorney for the **Hawaii Financial Services Association** ("HFSA"). The HFSA is the trade association for Hawaii's financial services loan companies, which are regulated by the Hawaii Commissioner of Financial Institutions. Financial services loan companies make mortgage loans and other loans.

The HFSA **opposes** this Bill as drafted.

The purpose of this Bill is to remove 7 exemptions from licensure under the SAFE Mortgage Licensing Act. This Bill also makes conforming amendments.

HRS Chapter 454F is the Secure and Fair Enforcement for Mortgage Licensing Act ("Hawaii SAFE Act"). It was enacted in 2009 pursuant to the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 ("federal SAFE Act") and is based on the model state law of the Conference of State Bank Supervisors ("CSBS") and the American Association of Residential Mortgage Regulators ("AARMR").

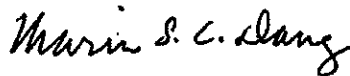
In the Hawaii SAFE Act, one of the exemptions from licensing as a "mortgage loan originator" is for "an individual engaging solely in loan processor or underwriter activities" (HRS Sec. 454F-2(5)). An individual who performs loan processor or underwriter activities under the conditions stated in the federal SAFE Act and in the existing Hawaii SAFE Act should continue to be exempt from licensing as a "mortgage loan originator". These individuals do not perform the types of "mortgage loan originator" activities that both laws intended to license, i.e. the activities of mortgage brokers and solicitors.

The federal SAFE Act, the CSBS/AARMR model state law, the proposed rules of the federal Department of Housing & Urban Development, and the Hawaii SAFE Act are all consistent in their treatment of loan processors and underwriters. For example, the federal SAFE Act at Sections 1503(4) and 1504(b) states that a "supervised" loan processor or underwriter shall not be required to be state licensed, while an "independent contractor" loan processor or underwriter is to be licensed.

Similarly, under the Hawaii SAFE Act in HRS Sec. 454F-1, the definition of "loan processor or underwriter" is an individual who performs the duties as an "employee" under the supervision or instruction of a mortgage loan originator or a person who is exempt from licensing.

Accordingly, we ask that you leave in the definitions and exemption relating to "loan processor or underwriter".

Thank you for considering our testimony.



MARVIN S.C. DANG

Attorney for Hawaii Financial Services Association

(MSCD/hfsa)

NELSON G. OYADOMARI

1568 Ala Napunani Street

Honolulu, HI 96818

(808) 478-5327 – nelson@hawaiilender.com

February 11, 2010

The Honorable Rosalyn Baker
Chair, Committee on Commerce and Consumer Protection
Hawaii State Capitol

Re: In SUPPORT of SB2612

Dear Senator Baker,

Thank you for allowing me to voice my support of SB2612 as it relates to testing and continuing education for ALL mortgage loan originators in Hawaii.

Over the past 6 years, I have been an active advocate of entry testing, continuing education and stricter guidelines for all mortgage loan originators. I am in my third year as a mortgage advisor to RICO and assist the insurance investigation division in interpreting possible violations as it pertains to mortgage and insurance transactions.

I was pleased when legislation was passed last year to require testing and continuing education, following the federal S.A.F.E act lead. However, one point of concern is the exclusion of bank and finance company employees from this requirement. Hopefully, SB2612 will be passed to correct this exclusion.

There are many arguments for and against exempting certain mortgage loan originators from licensing, testing and continuing education. Some arguments FOR the exclusion:

- 1) *Banks have their own internal testing and education requirements* – At our company alone, we have former bank and credit union loan originators and processing staff that belies this argument. They were required to go through additional training and testing as their knowledge was limited to “bank” procedures and not overall mortgage guidelines. I also have worked for a traditional bank and can attest this is far from accurate.
- 2) *Banks have quality control departments and have strict standards they must adhere to* – Yes, and so do most of us affected by the S.A.F.E. act. The issue here is making sure the front-line person, or loan originator, is well versed in these guidelines and standards.
- 3) *The Federal S.A.F.E. law has already defined bank-type entities are exempt* – Home rule legislation by many states have resulted in stricter guidelines than proposed by the Fed on various mortgage-related issues, this wouldn’t be unique to Hawaii – The Federal SAFE rules are MINIMUM standards – HUD’s commentary regarding model state legislation reads, in part:

A. Standards in Legislation May Exceed Standards in SAFE Act

The SAFE Act's licensing and registration standards for mortgage loan originators are minimum standards. (See section 1505(b).) Legislation enacted or regulations promulgated by a state may exceed the minimum standards of the SAFE Act. States may not, however, enact legislation, promulgate regulations, or otherwise impose requirements that would frustrate the objectives of the SAFE Act, keeping in mind that the SAFE Act's primary objectives include provision of a

comprehensive licensing and supervisory system with uniform application and reporting requirements.

Some key points on why no mortgage loan originator should be exempt from mandatory licensing, testing and continuing education requirements:

- 1) There is no difference in what every loan originator is suppose to do: we assess borrower's qualifications, provide analysis on different options and follow federal and state guidelines with respect to the content and timeliness of disclosures. A bank originator does not do any more or less.
- 2) We are a highly mobile industry. Many loan originators move from company to company, bank to brokerage, etc. – and perform the exact same function. Having standardized rules insures compliance and consumer protection regardless of where an originator is currently working.
- 3) In 2006 a bank employee was sentenced in a federal mortgage fraud case, substantiating the fact that banking institutions are not exempt from employees that commit fraud or are negligent.

I do believe there are some strike-outs that should remain as part of HRS454 as these do have relevance in exemption from the S.A.F.E requirements:

454F-2 (2) & (3) – Individuals should remain exempt as sometimes a private money mortgage (no traditional lender involved) is the only way to sell and finance a property;

454F-2 (4) – Attorneys often assists with private money mortgages and existing language does say they need to follow S.A.F.E. if they are being compensated by a lender or broker;

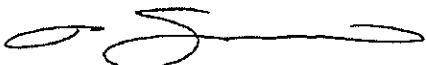
454F-2 (5) – Support staff such as processors, underwriters and closers have limited public contact and do not participate in the structuring or negotiating of a mortgage transaction;

454F-2 (6) – This makes it clear that a real estate agent is not subject to S.A.F.E. *unless* they engage in mortgage lending and are compensated (employed) by a lender or broker;

454F-2 (7) – Timeshare transactions do not fall under traditional mortgage rules and is considered a consumer loan, similar to auto's.

In summary, there is no compelling reason to support the exemption of one group of mortgage loan originators from another. If the needs of our citizenry is our ultimate responsibility, a standardized requirement for all mortgage loan originators would be a prudent decision.

Thank you again,



Nelson Oyadomari
Branch Manager
Primary Residential Mortgage

Eric Arquero

From: Chichi Trinidad [chichi@mortgage-hawaii.com]
Sent: Monday, February 15, 2010 2:41 PM
To: CPN Testimony
Cc: russ@PRVrealty.com
Subject: Testimony in Support

Testimony to the Senate Committee on Commerce & Consumer Protection
Wednesday, February 17th, 2010 at 9:15 am

Testimony in SUPPORT of SB2612, Relating to Mortgage Originators

To: The Honorable Rosalyn Baker, Chair
The Honorable David Ige, Vice-Chair
Members of the Committee on Commerce & Consumer Protection

My name is _Chi Chi Trinidad I am testifying in SUPPORT of passage of SB2612, Relating to Mortgage Originators which removes exemptions from licensure under the SAFE Mortgage Licensing Act passed by this body in Special Session 2009.

As a Mortgage Professional in Hawaii I believe the intent of the S.A.F.E. Act was to add additional protection for the consumers as well to professionalize our industry through licensing and continuing education.

I believe that there should be no group or entity whether they are non profits, FDIC, or whose deposits are insured by the National Credit Union Administration. There have been numerous cases across the country and cases here where mortgage originators under these types of exemption that have been found guilty in Federal Court.

I humbly request this Committee to pass SB2612 removing any exemption to the law. I thank you for allowing me this opportunity to testify.

Very truly yours,

Chi Chi Trinidad
Vice President

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**One Stop Financial Services**  
1860 Ala Moana Blvd., Suite 110  
Honolulu, HI 96815  
808-983-3323 Main  
808-983-3325 Fax  
~~~~~

From: Russ Trinidad [russtrinidad@gmail.com] on behalf of Russ Trinidad [russ@mortgage-hawaii.com]
Sent: Tuesday, February 16, 2010 11:39 AM
To: CPN Testimony
Subject: Testimony in Support

Testimony to the Senate Committee on Commerce & Consumer Protection
Wednesday, February 17th, 2010 at 9:15 am

Testimony in SUPPORT of SB2612, Relating to Mortgage Originators

To: The Honorable Rosalyn Baker, Chair
The Honorable David Ige, Vice-Chair
Members of the Committee on Commerce & Consumer Protection

My name is Russ Trinidad I am testifying in SUPPORT of passage of SB2612, Relating to Mortgage Originators which removes exemptions from licensure under the SAFE Mortgage Licensing Act passed by this body in Special Session 2009.

As a Mortgage Professional in Hawaii I believe the intent of the S.A.F.E. Act was to add additional protection for the consumers as well to professionalize our industry through licensing and continuing education.

I believe that there should be no group or entity whether they are non profits, FDIC, or whose deposits are insured by the National Credit Union Administration. There have been numerous cases across the country and cases here where mortgage originators under these types of exemption that have been found guilty in Federal Court.

I humbly request this Committee to pass SB2612 removing any exemption to the law. I thank you for allowing me this opportunity to testify.

Very truly yours,
Russ Trinidad
One Stop Financial Services
President

Eric Arquero

From: Ronald Mills [millsre10@gmail.com]
Sent: Saturday, February 13, 2010 7:39 AM
To: CPN Testimony
Subject: SUPPORT OF SB2612

Testimony to the Senate Committee on Commerce & Consumer Protection
Wednesday, February 17th, 2010 at 9:15 am

Testimony in SUPPORT of SB2612, Relating to Mortgage Originators

To: The Honorable Rosalyn Baker, Chair
The Honorable David Ige, Vice-Chair
Members of the Committee on Commerce & Consumer Protection

My name is Ronald Mills. I am testifying in SUPPORT of passage of SB2612, Relating to Mortgage Originators which removes exemptions from licensure under the SAFE Mortgage Licensing Act passed by this body in Special Session 2009.

As a Mortgage Professional in Hawaii I believe the intent of the S.A.F.E. Act was to add additional protection for the consumers as well to professionalize our industry through licensing and continuing education.

I believe that there should be no group or entity whether they are non profits, FDIC, or whose deposits are insured by the National Credit Union Administration. There have been numerous cases across the country and cases here where mortgage originators under these types of exemption that have been found guilty in Federal Court.

I humbly request this Committee to pass SB2612 removing any exemption to the law. I thank you for allowing me this opportunity to testify.



February 12, 2010

The Honorable Roslyn H. Baker, Chair
Senate Commerce and Consumer Protection Committee
State Capitol, Room 219
Honolulu, Hawaii 96813

Aloha Chair Baker, Vice-Chair Ige, and Members of the CPN Committee,

I am writing this letter in Support of SB2612

Anyone originating loans in the state of Hawaii should be required to take a pre-licensing course, pass a state exam, pay into a state recovery fund and be held to a higher standard of professional behavior. Mainland lenders doing business in the state of Hawaii should have someone knowledgeable on the ground with a Hawaii license.

The Federal Government with the S.A.F.E. Act and the State of Hawaii has taken major steps to improve the public's protection when dealing with loan originators. There are still holes in the net that need to be addressed.

Current law exempts bank and credit union employees from being required to have a Hawaii state license. That includes many mainland loan originators. They have absolutely no educational requirements, none what so ever. If they are working from another state they most likely have no knowledge of our state laws, contracts or our customs.

With the purchase or sale of a home, a consumer will work with a combination of licensed professions (real estate agent, attorney, CPA, insurance agent and loan officer). All state licensed with education and continuing education requirements, with exception of possibly one.

In the case of getting a mortgage, the consumer may be dealing with a loan officer from one of the exempted lenders. In that case the consumer may be dealing with someone who has absolutely no training and has not been required to pass a state license exam to demonstrate at least minimum knowledge in their discipline. We are talking about the person handling the money.

In the course of selling real estate I have faced many challenging transactions caused by incompetent and unethical loan officers. Our new laws will be helpful when it comes to mortgage brokers, but are not as strong when dealing with bank employees. Two of the worst situations I dealt with remain unaddressed under current law. In one case, the loan officer had a license revoked by DCCA a few years before. In order to stay in the business he went to work at an exempt local lender and then another.

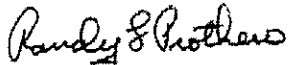
(Page 1 of 2)

Whether or not this bill gets the support of the banking industry, it needs to be strongly considered. One of government's most important roles in this process is to protect the general public. I feel this bill will remove a hole in the net.

I am writing this testimony in support of SB2612 as an individual and do not speak for any of my industry organizations or that of any of the non-profits or community groups that I hold positions of leadership.

Thank you for your consideration.

Sincerely,



Randy L. Prothero, REALTOR®
ABR, AHWD, CRS, e-PRO GRI
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Homes@HawaiiRandy.com
www.HawaiiRandy.com

Eric Arquero

From: Cory Chafe [corychafe@hawaii.rr.com]
Sent: Friday, February 12, 2010 4:24 PM
To: CPN Testimony
Subject: Support of passage for SB2612 Relating to Mortgage Originators

Importance: High

Testimony to the Senate Committee on Commerce & Consumer Protection
Wednesday, February 17th, 2010 at 9:15 am

Testimony in SUPPORT of SB2612, Relating to Mortgage Originators

To: The Honorable Rosalyn Baker, Chair
The Honorable David Ige, Vice-Chair
Members of the Committee on Commerce & Consumer Protection

My name is Socorro "Cory" Chafe. I am testifying in SUPPORT of passage of SB2612, Relating to Mortgage Originators which removes exemptions from licensure under the SAFE Mortgage Licensing Act passed by this body in Special Session 2009.

As a Mortgage Professional in Hawaii I believe the intent of the S.A.F.E. Act was to add additional protection for the consumers as well to professionalize our industry through licensing and continuing education.

I believe that there should be no group or entity whether they are non profits, FDIC, or whose deposits are insured by the National Credit Union Administration. There have been numerous cases across the country and cases here where mortgage originators under these types of exemption that have been found guilty in Federal Court.

I humbly request this Committee to pass SB2612 removing any exemption to the law. I thank you for allowing me this opportunity to testify.

Sincerely,

Cory Chafe
Loan Officer/Processor for Hawaiian Marketing Services
(808) 347-3423 or (808) 672-4249
Fax: (808) 440-0384
corychafe@hawaii.rr.com

Testimony to the Senate Committee on Commerce & Consumer Protection
Wednesday, February 17th, 2010 at 9:15 am

Testimony in SUPPORT of SB2612, Relating to Mortgage Originators

To: The Honorable Rosalyn Baker, Chair
The Honorable David Ige, Vice-Chair
Members of the Committee on Commerce & Consumer Protection

My name is Gregory Stuedt. I am testifying in SUPPORT of passage of SB2612, Relating to Mortgage Originators which removes exemptions from licensure under the SAFE Mortgage Licensing Act passed by this body in Special Session 2009.

As a Mortgage Professional in Hawaii I believe the intent of the S.A.F.E. Act was to add additional protection for the consumers as well to professionalize our industry through licensing and continuing education.

I believe that there should be no group or entity whether they are non profits, FDIC, or whose deposits are insured by the National Credit Union Administration. There have been numerous cases across the country and cases here where mortgage originators under these types of exemption that have been found guilty in Federal Court.

I humbly request this Committee to pass SB2612 removing any exemption to the law. I thank you for allowing me this opportunity to testify.

Mahalo

Gregory Stuedt

Testimony to the Senate Committee on Commerce & Consumer Protection
Wednesday, February 17th, 2010 at 9:15 am

Testimony in SUPPORT of SB2612, Relating to Mortgage Originators

To: The Honorable Rosalyn Baker, Chair
The Honorable David Ige, Vice-Chair
Members of the Committee on Commerce & Consumer Protection

My name is Frank F. Fasi, Jr., Regional Sales Manager, Grande Home Inc. a HUD Approved Mortgage Lender. I am testifying in Support of passage of SB2612, Relating to Mortgage Originators which removes exemptions from licensure under the SAFE Mortgage Licensing Act passed by this body in Special Session 2009.

In 2004 there was a "mortgage originator" who worked for a local bank that is FDIC insured who pleaded guilty to mortgage fraud. Therefore, no group or entity should be exempt under this law based on the fact that they are FDIC insured or whose deposits are insured by the National Credit Union Administration.

The SAFE Act is designed to enhance consumer protection and reduce fraud by encouraging states to establish minimum standards for the licensing and registration of state-licensed mortgage loan originators and for the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) to establish and maintain a nationwide mortgage licensing system and registry for residential mortgage industry for the purpose of establishing a means by which residential mortgage loan originators would, to the greatest extent possible, be required to act in the best interest of the consumer and provide increased accountability and tracking of loan originators.

The new standards, as well as the uniformity and consistency of such standards present a significant step in the effort to increase integrity in the residential mortgage loan market, enhance consumer protection and reduced fraud.

The S.A.F.E. act defines a Mortgage Originator as:

Section 1503(3)(A)(i) of the SAFE Act defines "loan originator" as "an individual who (I) takes a residential mortgage loan application; and (II) offers or negotiates terms of a residential mortgage loan for compensation or gain." Section 1503(3) (B), entitled "Other Definitions Relating to Loan Originator" provides "For purposes of this subsection, an individual `assists a consumer in obtaining or applying to obtain a residential mortgage loan' by, among other things, advising on loan terms (including rates, fees, other costs), preparing loan packages, or collecting information on behalf of the consumer with regard to a residential mortgage loan.

" HUD interprets "application" to include any request from a borrower, however communicated, for an offer (or in response to a solicitation of an offer) of residential

Senator Rosalyn H. Baker, Chair
And members of the Senate Committee on Commerce and Consumer Protection
Testimony of Frank F. Fasi, Jr.
February 17, 2010
Page 2

mortgage loan terms, as well as the information from the borrower that is typically required in order to make such an offer. HUD interprets "tak[ing]" an application to mean receipt of an application for the purpose of deciding whether or not to extend the requested offer of a loan to the borrower, whether the application is received directly or indirectly from the borrower.

I would like to thank you for the opportunity to submit his testimony.

586-6659

Testimony to the Senate Committee on Commerce & Consumer Protection
Wednesday, February 17th, 2010 at 9:15 am

Testimony in SUPPORT of SB2612, Relating to Mortgage Originators

To: The Honorable Rosalyn Baker, Chair
The Honorable David Ige, Vice-Chair
Members of the Committee on Commerce & Consumer Protection

My name is DeBorah K. Fu, I have been a Mortgage Broker/Solicitor since 1992 and I am testifying in SUPPORT of passage of SB2612, Relating to Mortgage Originators which removes exemptions from licensure under the SAFE Mortgage Licensing Act passed by this body in Special Session 2009.

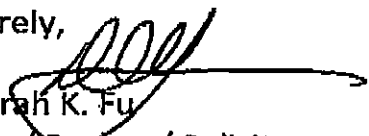
As a Mortgage Professional in Hawaii I believe the intent of the S.A.F.E. Act was to add additional protection for the consumers as well to professionalize our industry through licensing and continuing education.

I believe that there should be no group or entity whether they are non profits, FDIC, or whose deposits are insured by the National Credit Union Administration. There have been numerous cases across the country and cases here where mortgage originators under these types of exemption that have been found guilty in Federal Court.

I humbly request this Committee to pass SB2612 removing any exemption to the law. I thank you for allowing me this opportunity to testify.

Loan officers of FDIC Institutions and non-profit institutions should be held to all of the same licensing and education requirements as Mortgage Brokers.

Sincerely,


DeBorah K. Fu
Owner/ Broker / Solicitor
Pioneer Home Loans, Inc.

Wed

February 15, 2010

Testimony to the Senate Committee on Commerce & Consumer Protection
Wednesday, February 17th, 2010 at 9:15 am

Testimony in SUPPORT of SB2612, Relating to Mortgage Originators

To: The Honorable Rosalyn Baker, Chair
The Honorable David Ige, Vice-Chair
Members of the Committee on Commerce & Consumer Protection

My name is *Greg Bushell (Mortgage Broker)* I am testifying in SUPPORT of passage of SB2612, Relating to Mortgage Originators which removes exemptions from licensure under the SAFE Mortgage Licensing Act passed by this body in Special Session 2009.

As a Mortgage Professional in Hawaii I believe the intent of the S.A.F.E. Act was to add additional protection for the consumers as well to professionalize our industry through licensing and continuing education.

I believe that there should be no group or entity whether they are non profits, FDIC, or whose deposits are insured by the National Credit Union Administration. There have been numerous cases across the country and cases here where mortgage originators under these types of exemption that have been found guilty in Federal Court.

I humbly request this Committee to pass SB2612 removing any exemption to the law. I thank you for allowing me this opportunity to testify.

Simply put, the Banks you are aware of Countywide Bank, Washington Mutual, Wells Fargo, BOA, World Savings Bank, etc. do the underwriting & buy the loans & fund them.

Again, I request, along with the other Banks that you pass SB2612.

I can be reached at 262-3900.

Mahalo
Tony Bussalini

February 16, 2010

Senator Rosalyn Baker
Committee on Commerce
and Consumer Protection
SB2612
Wednesday, 02-17-2010
9:15 a.m.

Senator Baker and the Committee on Commerce and Consumer Protection:

I am in SUPPORT of Senate Bill 2612.

For the past 21 years I have been a secretary in an Oahu real estate office and an active Oahu real estate licensee for 14 years and have the pleasure of helping our clients find and purchase their homes. Within this process, we have to work with loan officers to make sure clients are qualified and be sure the finance part of the purchase transaction is successful and timely.

Most transactions go very smoothly. However, it is unfortunate that we have experienced delays and cancelled transactions because the loan officer did not perform professionally or ethically. Within the past year the loan procedures and processing has changed dramatically; the expertise and ethics of the loan officer is invaluable.

I applaud the State for finally implementing testing and tighter guidelines when it comes to loan officers. Real estate agents have been subject to these rules for many years and have helped the industry immensely. But this requirement should be standardized and apply to all loan officers, no matter where they work and I feel SB 2612 accomplishes this.

Thank you,
Dally Leong
Realtor-Associate

Testimony to the Senate Committee on Commerce & Consumer Protection
Wednesday, February 17th, 2010 at 9:15 am

Testimony in SUPPORT of SB2612, Relating to Mortgage Originators

To: The Honorable Rosalyn Baker, Chair
The Honorable David Ige, Vice-Chair
Members of the Committee on Commerce & Consumer Protection

My name is Paulette RK Kamakana. I am testifying in SUPPORT of passage of SB2612, Relating to Mortgage Originators which removes exemptions from licensure under the SAFE Mortgage Licensing Act passed by this body in Special Session 2009.

As a Mortgage Professional in Hawaii I believe the intent of the S.A.F.E. Act was to add additional protection for the consumers as well to professionalize our industry through licensing and continuing education.

I believe that there should be no group or entity whether they are non profits, FDIC, or whose deposits are insured by the National Credit Union Administration. There have been numerous cases across the country and cases here where mortgage originators under these types of exemption that have been found guilty in Federal Court.

I humbly request this Committee to pass SB2612 removing any exemption to the law. I thank you for allowing me this opportunity to testify.

Testimony to the Senate Committee on Commerce & Consumer Protection
Wednesday, February 17th, 2010 at 9:15 am

Testimony in SUPPORT of SB2612, Relating to Mortgage Originators

To: The Honorable Rosalyn Baker, Chair
The Honorable David Ige, Vice-Chair
Members of the Committee on Commerce & Consumer Protection

My name is Troy Vares. I live in Kihei, Maui. I am testifying in SUPPORT of passage of SB2612, Relating to Mortgage Originators which removes exemptions from licensure under the SAFE Mortgage Licensing Act passed by this body in Special Session 2009.

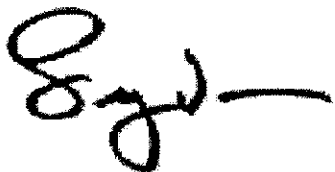
I have been in the mortgage industry since 1993. I have worked in a savings & loan, 3 different mortgage banker companies and several different mortgage broker offices. I have been a loan officer, processor and manager. I have helped in the past establish 4 different offices here on Maui. I have seen how everything works for the loan officer from front to back. I also know how the back office works.

I know Frank Fasi Jr. He has brought this bill to my attention along with hundreds of other loan officers here in Hawaii. We are all concerned for fair and equal treatment.

As a Mortgage Professional in Hawaii I believe the intent of the S.A.F.E. Act was to add additional protection for the consumers as well to professionalize our industry through licensing and continuing education.

I believe that there should be no group or entity whether they are non profits, FDIC, or whose deposits are insured by the National Credit Union Administration. There have been numerous cases across the country and cases here where mortgage originators under these types of exemption that have been found guilty in Federal Court.

I humbly request this Committee to pass SB2612 removing any exemption to the law. I thank you for allowing me this opportunity to testify.



700-586-6457

Testimony to the Senate Committee on Commerce & Consumer Protection
Wednesday, February 17th, 2010 at 9:15 am

Testimony in SUPPORT of SB2612, Relating to Mortgage Originators

To: The Honorable Rosalyn Baker, Chair
The Honorable David Ige, Vice-Chair
Members of the Committee on Commerce & Consumer Protection

My name is CHRISTINE M. BURTON I am testifying in SUPPORT of passage of SB2612, Relating to Mortgage Originators which removes exemptions from licensure under the SAFE Mortgage Licensing Act passed by this body in Special Session 2009.

As a Mortgage Professional in Hawaii I believe the intent of the S.A.F.E. Act was to add additional protection for the consumers as well to professionalize our industry through licensing and continuing education.

I believe that there should be no group or entity whether they are non profits, FDIC, or whose deposits are insured by the National Credit Union Administration. There have been numerous cases across the country and cases here where mortgage originators under these types of exemption that have been found guilty in Federal Court.

I humbly request this Committee to pass SB2612 removing any exemption to the law. I thank you for allowing me this opportunity to testify.

Sincerely,



Christine M. Burton
Mortgage Loan Officer
(808) 330-4978
Honolulu, HI

Testimony to the Senate Committee on Commerce & Consumer Protection
Wednesday, February 17th, 2010 at 9:15 am

Testimony in SUPPORT of SB2612, Relating to Mortgage Originators

To: The Honorable Rosalyn Baker, Chair
The Honorable David Ige, Vice-Chair
Members of the Committee on Commerce & Consumer Protection

My name is Allan Guillen. I am testifying in SUPPORT of passage of SB2612, Relating to Mortgage Originators which removes exemptions from licensure under the SAFE Mortgage Licensing Act passed by this body in Special Session 2009.

As a Mortgage Professional in Hawaii I believe the intent of the S.A.F.E. Act was to add additional protection for the consumers as well to professionalize our industry through licensing and continuing education.

I believe that there should be no group or entity whether they are non profits, FDIC, or whose deposits are insured by the National Credit Union Administration. There have been numerous cases across the country and cases here where mortgage originators under these types of exemption that have been found guilty in Federal Court.

I humbly request this Committee to pass SB2612 removing any exemption to the law. I thank you for allowing me this opportunity to testify.

Sincerely,



Allan Guillen
Mortgage Loan Officer
(808) 540-2708
Honolulu, HI