

JAN 26 2011

S.B. NO. 1178

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# A BILL FOR AN ACT

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RELATING TO MORTGAGE LENDERS.

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

1 SECTION 1. Section 454M-3, Hawaii Revised Statutes, is  
2 amended to read as follows:

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

5 (1) Any persons chartered or authorized under the laws of  
6 any state or federal law to engage in the activity of  
7 an insured depository institution as defined in Title  
8 12 United States Code [~~section~~] Section 1813(c)(2),  
9 including banks or savings associations, and operating  
10 subsidiaries of an insured depository institution;  
11 provided that all persons subject to this paragraph  
12 shall:

13 (A) Register with the commissioner, if the person is  
14 not already licensed pursuant to chapter 412;

15 (B) Be subject to the regulatory jurisdiction of the  
16 commissioner and all provisions of article II of  
17 chapter 412; and



1           (C) Maintain a physical presence within the State  
2           that includes a permanent office that is open and  
3           accessible during normal business hours and is  
4           staffed by at least one full-time employee with  
5           the authority to enter into mortgage transactions  
6           including loan modifications on behalf of the  
7           person subject to this paragraph or who has  
8           access at all times during normal business hours  
9           to a person with that authority;

10          (2) Trust companies, credit unions, insurance companies,  
11          and financial service loan companies licensed by the  
12          State;

13          (3) The Federal Deposit Insurance Corporation, in  
14          connection with assets acquired, assigned, sold, or  
15          transferred pursuant to section 13(c) of the Federal  
16          Deposit Insurance Act or as receiver or conservator of  
17          an insured depository institution;

18          (4) The Federal National Mortgage Association; the Federal  
19          Home Loan Mortgage Corporation; the Federal Deposit  
20          Insurance Corporation; the United States Department of  
21          Housing and Urban Development, and the Government  
22          National Mortgage Association and the Federal Housing



1 Administration, and cases in which a mortgage insured  
2 under the National Housing Act, 12 United States Code  
3 [~~section~~] Section 1701 et seq., is assigned to the  
4 United States Department of Housing and Urban  
5 Development; the National Credit Union Administration;  
6 the Farmers Home Administration or its successor  
7 agency under Public Law 103-354; and the Department of  
8 Veterans Affairs, in any case in which the assignment,  
9 sale, or transfer of the servicing of the mortgage  
10 loan is preceded by termination of the contract for  
11 servicing the loan for cause, commencement of  
12 proceedings for bankruptcy of the servicer, or  
13 commencement of proceedings by the Federal Deposit  
14 Insurance Corporation for conservatorship or  
15 receivership of the servicer or an entity by which the  
16 servicer is owned or controlled; and

- 17 (5) Any person making or acquiring contemporaneously no  
18 more than five residential mortgage loans with that  
19 person's own funds for that person's own investment."

20 SECTION 2. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.

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1 SECTION 3. This Act shall take effect on July 1, 2011.

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**Report Title:**

Mortgage Servicers; Commissioner of Financial Institutions

**Description:**

Requires financial institutions otherwise exempt from regulation as mortgage servicers or licensing by the commissioner of financial institutions to register with the commissioner of financial institutions and be subject to the commissioner's regulatory authority.

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

