

STAND. COM. REP. NO. 1210

Honolulu, Hawaii
March 24, 2011

RE: S.B. No. 1519
S.D. 3
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred S.B. No. 1519, S.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO MORTGAGE LOAN ORIGINATORS,"

beg leave to report as follows:

The purpose of this bill is to update the Secure and Fair
Enforcement for Mortgage Licensing Act with regard to mortgage
loan originators.

The Mortgage Bankers Association of Hawaii testified in
support of this bill. The Hawaii Financial Services Association
opposed this measure. The Department of Commerce and Consumer
Affairs, Office of Information Practices, Hawaii Association of
Mortgage Brokers, and a concerned individual provided comments.

Your Committees have amended this bill by, among other
things:

- (1) Removing provisions relating to tangible net benefits;
- (2) Deleting sections and paragraphs providing for state
regulations that will be regulated by the Federal
Reserve Board beginning April 1, 2011;
- (3) Removing confidentiality provisions, as the Office of
Information Protection states that licensees'

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confidential information will be protected by existing state law;


- (4) Requiring that advertisements for terms of residential mortgage loans must also include the loan amount, the annual percentage rate, and monthly payment unless the licensee is able to make the advertised loan and terms available to well-qualified applicants;
- (5) Making amendments to correct certain provisions;
- (6) Changing its effective date to "upon approval"; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1519, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1519, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,



GILBERT KEITH-AGARAN Chair



ROBERT N. HERKES, Chair



