

STAND. COM. REP. NO.

422

Honolulu, Hawaii

FEB 18 2011

RE: S.B. No. 1519
S.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1519, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to amend the Safe and Fair Enforcement for Mortgage Licensing Act in order to meet additional regulatory objectives of the Act.

Your Committee received testimony in support of this measure from the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs. Your Committee received testimony in opposition to this measure from the Hawaii Association of Mortgage Brokers, the Mortgage Bankers Association of Hawaii, and Hawaii Mortgage Company, Inc. Your Committee received comments on this measure from the Office of Information Practices and Hawaii Financial Services Association.

Your Committee finds that Hawaii's Safe and Fair Enforcement for Mortgage Licensing Act, chapter 454F, Hawaii Revised Statutes, was originally enacted in 2009 pursuant to the requirements of federal law. Your Committee further finds that the regulatory system established by the federal law, with which Hawaii is obligated to comply, is still in the process of becoming fully developed as its component parts are implemented nationwide. Your Committee also finds that as Hawaii's regulatory agencies have begun implementing the requirements of the state and federal laws on the State level, they have identified opportunities for

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increasing administrative efficiency and making the law more responsive to real world regulatory concerns.

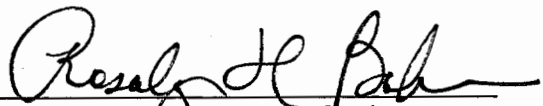
Your Committee also finds that the participation and cooperation of stakeholders is essential to build a successful regulatory structure. Unfortunately, fruitful collaboration among the interested parties to strengthen this measure has not yet been realized. Finally, your Committee finds that because of the unsettled state of the controlling federal law and the lack of opportunity for stakeholders to come to consensus on important issues, this measure remains incomplete. However, your Committee finds that this measure should continue to progress through the legislative process so that the Secure and Fair Enforcement for Mortgage Licensing Act may be amended to create a strong and enforceable regulatory system to assist the industry and safeguard consumers.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1519, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1519, S.D. 2, and be referred to the Committee on Ways and Means.

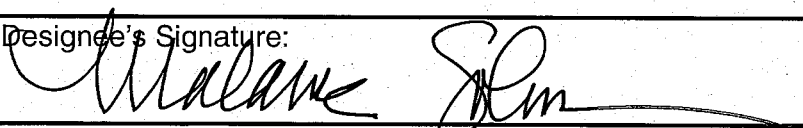
Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1519, SDI	CPN, WAM	2-17-11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)				✓
GALUTERIA, Brickwood	✓			
GREEN, M.D., Josh	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama	✓			
SLOM, Sam				✓
TOTAL	5	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes