STAND. COM. REP. NO. 458 -12

Honolulu, Hawaii

Feb 16, 2012

RE: H.B. No. 2502 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2012 State of Hawaii

## Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2502 entitled:

"A BILL FOR AN ACT RELATING TO MORTGAGE SERVICERS,"

begs leave to report as follows:

The purpose of this measure is to help protect Hawaii homeowners by, among other things:

- (1) Clarifying that all mortgage servicers who also provide mortgage loan-modification services must also meet the requirements of chapter 454F, Hawaii Revised Statutes (HRS);
- (2) Allowing the Commissioner of Financial Institutions (Commissioner) to increase Hawaii's involvement with the Nationwide Mortgage Licensing System (NMLS); and
- (3) Modifying the penalties that may be imposed on a person who violates chapter 454M, HRS.

The Department of Commerce and Consumer Affairs supported this bill.

Your Committee has amended this bill by:

- (1) Removing the Commissioner's authority to:
  - (A) Waive or modify, in whole or in part, by rule or order, any or all of the requirements of chapter 454M, HRS; and
  - (B) Establish new requirements as reasonably necessary to participate in the NMLS,

in order to fulfill the purposes of chapter 454M, HRS;

- (2) Removing the provision that would have modified the penalties that may be imposed on a person who violates chapter 454M, HRS;
- (3) Changing the effective date to January 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2502, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2502, H.D. 1, and be referred to the Committee on Finance.

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

ROBERT N. HERKES, Chair

## State of Hawaii House of Representatives The Twenty-sixth Legislature

## Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 2502 Committee	e Referral:	FIN Date:	2/4/12	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)				
2. YAMANE, Ryan I. (VC)				
3. BROWER, Tom				-
4. CABANILLA, Rida T.R.				
5. CARROLL, Mele		·		
6. COFFMAN, Denny				
7. ITO, Ken				
8. KEITH-AGARAN, Gilbert S.C.				
9. LUKE, Sylvia				
10. McKELVEY, Angus L.K.	-		<u></u>	
11. SOUKI, Joseph M.				
12. TSUJI, Clift				
13. CHING, Corinne W.L.				
14. MARUMOTO, Barbara C.	2			
15. THIELEN, Cynthia				
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TOTAL (15)				3
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				