

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



