

Honolulu, Hawaii

March 2, 2012

RE: H.B. No. 2502
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 2502, H.D. 1, 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) Allowing the Commissioner of Financial Institutions (Commissioner) to require all mortgage servicers to register with the Nationwide Mortgage Licensing System and Registry (NMLSR);
- (2) Prohibiting any person licensed as a mortgage servicer from providing mortgage loan modification services without first complying with the licensure requirements for mortgage loan originators under Chapter 454F, Hawaii Revised Statutes (HRS);
- (3) Allowing the Commissioner to increase Hawaii's involvement with the NMLSR;
- (4) Authorizing the Commissioner to use the NMLSR as an agent for:



- (A) Requesting information from and distributing information to the United States Department of Justice or any governmental agency; and
 - (B) Requesting and distributing information to and from any source directed by the Commissioner; and
- (5) Making it unlawful for any mortgage servicer to provide any mortgage loan modifications or other services that would require licensing pursuant to Chapter 454F, HRS, unless the mortgage servicer is licensed under that chapter.

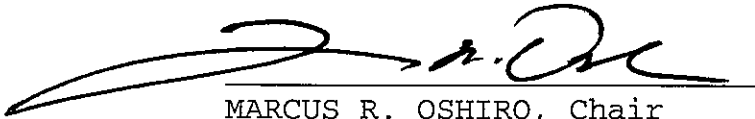
The Department of Commerce and Consumer Affairs submitted comments.

Your Committee urges the proponents of this bill to work together to find common ground and arrive at mutual agreement.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2502, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2502, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



