

Honolulu, Hawaii

APR 27 2012

RE: S.B. No. 2763
S.D. 2
H.D. 2
C.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

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

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2763, S.D. 2, H.D. 2, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to amend the Secure and Fair Enforcement for Mortgage Licensing Act, chapter 454F, Hawaii Revised Statutes, to reflect recent changes in federal law and adjust fees in consideration of new regulatory requirements.

Your Committee on Conference finds that mortgage loan originators offer or negotiate the terms of residential mortgage loans or accept applications for these loans. These professionals are licensed under the Secure and Fair Enforcement for Mortgage Licensing Act, which this measure amends to incorporate new federal requirements designed to strengthen consumer protections relating to mortgage loan origination.



Your Committee on Conference further finds that this measure establishes a one-time application fee for mortgage loan originators who are sole proprietors and exempts these individuals from annual license renewal fees. Although the Nationwide Mortgage Licensing System is not able to easily program special fees for states to charge for specialized licensees, such as sole proprietors, a fee adjustment may be possible if sole proprietors paid all required fees through the Nationwide Mortgage Licensing System then requested the State to reimburse any fees the Division of Financial Institutions chose to waive.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have established a one-time application fee for mortgage loan originators who are sole proprietorships and would have exempted these individuals from annual license renewal fees; and instead adding language to require the Division of Financial Institutions to reimburse every mortgage loan originator company that consists of a non-exempt single individual who is engaged in the business of a mortgage loan originator as a sole proprietorship for fees paid for the mortgage loan originator initial application and annual license renewal fees;
- (2) Clarifying the application of the new definition of "housing finance agency" to nonprofit organizations;
- (3) Adding a definition of "Nationwide Mortgage Licensing System" to reflect that this entity is alternatively known as the "Nationwide Mortgage Licensing System and Registry";
- (4) Making conforming amendments to effectuate the reduction of the time limit, from six months to thirty days, for an applicant for licensure to demonstrate continued efforts to complete the licensing application;
- (5) Deleting language that would have increased the initial application fee by \$100 and the annual license renewal fee by \$50, with respect to the fees that a mortgage loan originator must pay to obtain and maintain a valid mortgage loan originator license;



- (6) Deleting language that would have increased by \$50 the fees a licensee must pay to the Insurance Commissioner for certain amendments to information provided to the Nationwide Mortgage Licensing System;
- (7) Inserting an effective date of July 1, 2012; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2763, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2763, S.D. 2, H.D. 2, C.D. 1.

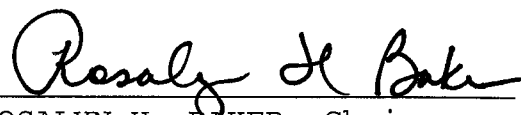
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



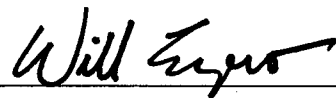
ROBERT N. HERKES, Co-Chair



ROSALYN H. BAKER, Chair



ISAAC W. CHOY, Co-Chair



WILL ESPERO, Co-Chair



Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB 2763, SD 2, HD 2	Date/Time: 9:20 am 4-26-2012
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				HERKES, Robert N., Co-Chr.	✓			
ESPERO, Will, Co-Chr.	✓				CHOY, Isaac W., Co-Chr.	✓			
TANIGUCHI, Brian T.	✓				TSUJI, Clift	✓			
					RIVIERE, Gil	✓			
TOTAL	3	-	-	-	TOTAL	4	-	-	-

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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