

Honolulu, Hawaii

March 22, 2012

RE: S.B. No. 2763  
S.D. 2  
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 S.B. No. 2763, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to protect Hawaii homeowners by amending the Secure and Fair Enforcement for Mortgage Licensing Act, Chapter 454F, Hawaii Revised Statutes, to reflect recent changes in federal law and to adjust fees in light of new regulatory requirements.

The Department of Commerce and Consumer Affairs testified in support of this measure. The Hawaii Association of Mortgage Brokers testified in opposition to this measure.

Your Committee has amended this measure by deleting its contents and replacing it with the language contained in House Bill No. 2501, H.D. 1, Regular Session of 2012, which was passed by the House of Representatives. The language contained in House Bill No. 2501, H.D. 1, is substantially similar to the contents of this measure but further amends this measure by:

- (1) Correcting references to the "Nationwide Mortgage Licensing System" to reflect the proper name of the system as the "Nationwide Mortgage Licensing System and Registry"; and



- (2) With respect to the fees that a mortgage loan originator must pay to obtain and maintain a valid mortgage loan originator license:
- (A) Increasing the initial application fee to \$600;
  - (B) Increasing the annual license renewal fee to \$350; and
  - (C) Establishing fees for mortgage loan originators that are sole proprietorships and exempting these individuals from annual license renewal fees.

Additional technical, nonsubstantive amendments were also made for 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 S.B. No. 2763, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2763, S.D. 2, 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



