

STAND. COM. REP. NO. 2739

Honolulu, Hawaii

MAR 02 2012

RE: S.B. No. 2764  
S.D. 1

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2764 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to require every mortgage servicer who provides loan modification services that would require licensure as a mortgage loan originator to be licensed as a mortgage loan originator, in addition to being licensed as a mortgage servicer.

Your Committee finds that mortgage servicers provide a variety of services including some mortgage loan modification services that could be considered to be mortgage loan originator activities. Any licensed mortgage servicer providing these services must also be licensed as a mortgage loan originator. However, this requirement is not always evident to those who hold mortgage servicer licenses. Your Committee believes this measure will help to clarify these distinctions and ensure that anyone providing mortgage loan origination services shall be properly licensed to do so.

Your Committee also notes the possibility that mortgage servicers may become required to register with the Nationwide Mortgage Licensing System. Your Committee further finds that, should that occur, this measure expands the Commissioner of Financial Institutions' authority to allow the Commissioner to work with the Nationwide Mortgage Licensing System and establish a

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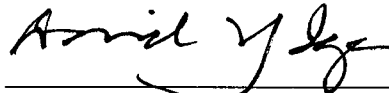
program similar to the recently established program for mortgage loan originators and mortgage loan originator companies.

Your Committee has amended this measure by:

- (1) Providing a definition for the term "Nationwide Mortgage Licensing System";
- (2) Adding a savings clause to ensure that penalties provided by this measure are not applied to violations that occurred prior to its effective date; and
- (3) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2764, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2764, S.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



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DAVID Y. IGE, Chair



The Senate  
Twenty-Sixth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <i>SB 2764</i>	Committee Referral: <i>CPN, WAM</i>	Date: <i>2-24-12</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado	✓			
KAHELE, Gilbert	✓			
KOUCHI, Ronald D.	✓			
RYAN, Pohai	✓			
TOKUDA, Jill N.	✓			
WAKAI, Glenn	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
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\*Only one measure per Record of Votes