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Testimony to the Senate Committee on Ways and Means  
Friday, February 24, 2012

Testimony in opposition to SB 2763, Relating to Mortgage Loan Originators

To: The Honorable David Ige, Chair  
The Honorable Michelle Kidani, Vice-Chair  
Members of the Committee on Ways and Means

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for 81 Hawaii credit unions, representing approximately 811,000 credit union members across the state. We are opposed to SB 2783 SD1, Relating to Mortgage Loan Originators.

While we fully understand the current situation regarding mainland mortgage loan servicers, and the many abuses that have occurred, credit unions have not been guilty of these offenses. Hawaii's credit unions have a long history of serving their members to the best of their ability, always keeping in mind the credit union philosophy of "people helping people". While we have no objection to the provisions of this bill that would reflect current federal standards, we do object to the removal of the exemption for credit union service organizations. On page 10, lines 15-17 of the bill, "a subsidiary of an insured depository institution regulated by a federal banking agency" is stricken. While we understand that this change is probably made to require bank-subsidized servicers to register, we feel that credit unions service organizations should remain exempt.

Thank you for the opportunity to testify.



**SENATE COMMITTEE ON WAYS AND MEANS  
TESTIMONY IN OPPOSITION OF  
SB 2763, SD1 RELATING TO MORTGAGE LOAN ORIGATION**

Testimony of  
Jodie Tanga, President  
Hawaii Association of Mortgage Brokers  
Friday, February 24, 2012, 9:00 a.m.  
Senate Conference Room 211

Chair David Ige and members of the Committee:

The Hawaii Association of Mortgage Brokers (“HAMB”) opposes SB 2763, SD 1 in its current form. Currently, SB 2763, SD 1 seeks additional increase to fees for mortgage loan originators and their companies. Having already faced major fee increases just last year, this fee increase is premature since the program has been in place only a little over a year. It is extremely discouraging for mortgage loan originators and their companies, many of whom are sole proprietors, to be faced with the possibility that their fees will be increased yet again. It is a struggle for many originators and companies to pay the current fees proposed in this bill.

HAMB, however, has been speaking with the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs (“the Commissioner”) about this matter and has reached an agreement. HAMB will support the Commissioner’s proposed amended fee increases as follows:

1. New applicants - additional \$100;
2. Renewals – additional \$50; and
3. Sole proprietors – a one time charge (either as mortgage loan originator or mortgage loan origination company).

HAMB is encouraged by its discussion with the Commissioner and supports this amended fee schedule increase. HAMB will continue to work with the Commissioner and has requested additional information regarding how program funds are being utilized and expended. We are anxious to explore alternate cost-cutting avenues to fee increases.

Thank you for the opportunity to submit this testimony.