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# A BILL FOR AN ACT

RELATING TO MORTGAGE LOAN ORIGINATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Section 412:9-501, Hawaii Revised Statutes, is  
2 amended by amending its title to read as follows:

3 "[+]§412:9-501[+] Registration of nondepository financial  
4 services loan companies with [~~Nationwide Mortgage Licensing~~  
5 ~~System.~~] NMLS."

6 SECTION 2. Section 454F-1, Hawaii Revised Statutes, is  
7 amended as follows:

8 1. By adding four new definitions to be appropriately  
9 inserted and to read:

10 "Loan modification" means a temporary or permanent change  
11 to the terms of a borrower's existing loan agreement, mutually  
12 agreed to between a borrower and a lender.

13 "Mortgage call report" means a single report of condition  
14 that each licensee may be required to submit to NMLS.

15 "NMLS" means a mortgage licensing system developed and  
16 maintained by the Conference of State Bank Supervisors and the  
17 American Association of Residential Mortgage Regulators for the  
18 state licensing and registration of state-licensed loan



1 originators and other financial services providers, or any  
2 system provided by the Consumer Financial Protection Bureau.

3 "Principal place of business" means a mortgage loan  
4 originator company's main office location in this State that is  
5 separate from a branch office unless the branch office is  
6 specified as the principal place of business by a mortgage loan  
7 originator company headquartered out-of-state and identified by  
8 any means to consumers as a location at which the licensee holds  
9 itself out as a mortgage loan originator company."

10 2. By amending the definitions of "branch manager",  
11 "branch office", "exempt registered mortgage loan originator",  
12 "licensee", "mortgage loan originator", "mortgage servicer  
13 company", and "sponsor" to read:

14 "Branch manager" means an individual who is designated and  
15 employed by a mortgage loan originator company to be responsible  
16 for the activities in the conduct of business of the licensed  
17 mortgage loan originator company's branch office[-] or principal  
18 place of business, in conducting the business of that mortgage  
19 loan originator company's branch office[-] or principal place of  
20 business.

21 "Branch office" means any location, separate from the  
22 principal place of business of the mortgage loan originator



1 company that is identified by any means to the public or  
2 customers as a location at which the licensee holds itself out  
3 as a mortgage loan originator company. For mortgage loan  
4 originator companies headquartered out-of-state, a branch office  
5 may be its principal place of business.

6 "Exempt registered mortgage loan originator" means any  
7 individual who:

8 (1) Meets the definition of mortgage loan originator and  
9 is an employee of:

10 (A) An insured depository institution;

11 [~~(B) A subsidiary that is:~~

12 ~~(i) Owned and controlled by an insured~~  
13 ~~depository institution; and~~

14 ~~(ii) Regulated by a federal banking agency;] or~~

15 [~~(C)~~] (B) An institution regulated by the Farm Credit  
16 Administration; and

17 (2) Is registered with, and maintains a unique identifier  
18 through, [~~the Nationwide Mortgage Licensing System~~]  
19 NMLS but is not required to be licensed under this  
20 chapter.

21 "Licensee" means a mortgage loan originator, a mortgage  
22 loan originator company, a mortgage servicer company, unless



1 exempt under chapter 454M, or a person who is ~~[required to be]~~  
 2 licensed under this chapter. Licensee does not include an  
 3 exempt registered mortgage loan originator, ~~[or]~~ exempt  
 4 sponsoring mortgage loan originator company, or nonprofit  
 5 organization as defined by this section.

6 "Mortgage loan originator":

7 (1) Means an individual who for compensation or gain or in  
 8 the expectation of compensation or gain:

9 (A) Takes a residential mortgage loan application; or

10 (B) Offers or negotiates terms of a residential  
 11 mortgage loan; ~~[and]~~

12 (2) Means any individual who offers or negotiates the  
 13 terms of a residential mortgage loan secured by a  
 14 dwelling that served as the individual's residence,  
 15 including a vacation home, or inherited property that  
 16 served as the deceased's dwelling; provided that the  
 17 individual does not act as a mortgage loan originator  
 18 or provide financing for such sales more than three  
 19 times in a calendar year; and

20 ~~[(2)]~~ (3) Includes an independent contractor as defined in  
 21 this section.



1 "Mortgage servicer company" means a mortgage servicer  
2 company licensed under chapter 454M[-] that employs one or more  
3 individuals who conduct mortgage loan origination activity.

4 "Sponsor" means to:

- 5 (1) Create a relationship through [~~the Nationwide Mortgage~~  
6 ~~Licensing System;~~] NMLS; and  
7 (2) Appropriately supervise a mortgage loan originator's  
8 activities."

9 3. By deleting the definition of "Nationwide Mortgage  
10 Licensing System" or "Nationwide Mortgage Licensing System and  
11 Registry".

12 [~~"Nationwide Mortgage Licensing System" or "Nationwide~~  
13 ~~Mortgage Licensing System and Registry" means a mortgage~~  
14 ~~licensing system developed and maintained by the Conference of~~  
15 ~~State Bank Supervisors and the American Association of~~  
16 ~~Residential Mortgage Regulators for the licensing and~~  
17 ~~registration of mortgage loan originators, mortgage loan~~  
18 ~~originator companies, exempt registered mortgage loan~~  
19 ~~originators, and exempt registered mortgage loan originator~~  
20 ~~companies as defined by this chapter."]~~

21 SECTION 3. Section 454F-1.5, Hawaii Revised Statutes, is  
22 amended to read as follows:



1           "**§454F-1.5 Registration with [~~Nationwide Mortgage~~**  
2 **~~Licensing System~~]** NMLS required. (a) All mortgage loan  
3 originators, mortgage loan originator companies, exempt  
4 sponsoring mortgage loan originator companies, nonprofit  
5 organizations, mortgage servicer companies, and every other  
6 person in this State that originates a residential mortgage  
7 loan, unless exempt under section 454F-2, shall register with  
8 [~~the Nationwide Mortgage Licensing System.~~] NMLS.

9           (b) Exempt registered mortgage loan originators, unless  
10 exempt under section 454F-2, shall register and maintain a  
11 unique identifier through [~~the Nationwide Mortgage Licensing~~  
12 ~~System,~~] NMLS but shall not be required to be licensed under  
13 this chapter."

14           SECTION 4. Section 454F-1.6, Hawaii Revised Statutes, is  
15 amended to read as follows:

16           "**§454F-1.6 Presumption of control.** An individual is  
17 presumed to control a mortgage loan originator company or a  
18 mortgage servicer company if that individual is a director,  
19 general partner, managing member, or executive officer who  
20 directly or indirectly has the right to vote ten per cent or  
21 more of a class of voting security or has the power to sell or  
22 direct the sale of ten per cent or more of a class of voting



1 securities of that mortgage loan originator company[-] or  
2 mortgage servicer company."

3 SECTION 5. Section 454F-1.7, Hawaii Revised Statutes, is  
4 amended by amending its title to read as follows:

5 "§454F-1.7 Duties of a mortgage loan originator company's  
6 qualified individual and branch manager."

7 SECTION 6. Section 454F-3, Hawaii Revised Statutes, is  
8 amended to read as follows:

9 "§454F-3 Requirement of licensure. (a) Effective  
10 January 1, 2011, or such later date approved by the United  
11 States Department of Housing and Urban Development pursuant to  
12 the authority granted under Public Law 110-289, section 1508(e),  
13 title 12 United States Code section 5107(e), a person, unless  
14 specifically exempted from this chapter, shall not engage in the  
15 business of a mortgage loan originator or mortgage loan  
16 originator company with respect to any dwelling located in this  
17 State without first obtaining and maintaining annually, a  
18 license under this chapter. Each licensed mortgage loan  
19 originator [~~or~~], mortgage loan originator company, or mortgage  
20 servicer company shall register with and maintain a valid unique  
21 identifier issued by [~~the Nationwide Mortgage Licensing System,~~]  
22 NMLS and shall submit to [~~the Nationwide Mortgage Licensing~~



1 ~~System]~~ NMLS any reports that shall be in a form and contain  
2 information as [~~the Nationwide Mortgage Licensing System]~~ NMLS  
3 may require.

4 [~~A mortgage broker or mortgage solicitor who holds a~~  
5 ~~license under chapter 454 that is valid as of December 31, 2010~~  
6 ~~and who creates a record and obtains a unique identifying number~~  
7 ~~in the Nationwide Mortgage Licensing System by November 30, 2010~~  
8 ~~shall be determined to be in compliance with the licensing~~  
9 ~~provisions of this chapter until the commissioner makes a final~~  
10 ~~determination on the issuance or denial of the individual's~~  
11 ~~license.]~~

12 (b) An independent contractor shall not engage in the  
13 activities of a loan processor or underwriter without a license  
14 pursuant to section 454F-4. Each independent contractor  
15 licensed as a mortgage loan originator shall obtain and maintain  
16 a valid unique identifier issued by [~~the Nationwide Mortgage~~  
17 ~~Licensing System.]~~ NMLS. An independent contractor who is not  
18 an exclusive agent of a mortgage loan originator company, in  
19 addition to obtaining a license as a mortgage loan originator,  
20 shall obtain a license as a mortgage loan originator company.

21 (c) A loan processor or underwriter who does not represent  
22 to the public, through advertising or other means of





1 communicating or providing information, including through  
2 business cards, stationery, brochures, signs, rate lists, or  
3 other promotional items, that the individual can or will perform  
4 any of the activities of a mortgage loan originator, who does  
5 not advertise that the individual can or will perform any of the  
6 activities of a mortgage loan originator, and who does not  
7 engage in the activities of a mortgage loan originator shall not  
8 be required to be licensed under this chapter.

9 ~~[(d) Upon obtaining a [licensing] determination under this~~  
10 ~~chapter, an applicant's license issued under chapter 454 shall~~  
11 ~~automatically terminate.~~

12 ~~(e)]~~ (d) If this section or any provision of this section  
13 conflicts at any time with any federal law, then the federal law  
14 shall prevail and this section or the relevant provisions of  
15 this section shall become ineffective and invalid. The  
16 ineffectiveness or invalidity of this section or any of its  
17 provisions shall not affect any other provisions or applications  
18 of this chapter which shall be given effect without the invalid  
19 provision or application, and to this end, the provisions of  
20 this section are severable."

21 SECTION 7. Section 454F-4, Hawaii Revised Statutes, is  
22 amended as follows:



1           1. By amending subsection (b) to read:

2           "(b) To fulfill the purposes of this chapter, the  
3 commissioner [~~shall establish relationships~~] may enter into  
4 agreements or contracts with [~~the Nationwide Mortgage Licensing~~  
5 ~~System~~] NMLS or other entities [~~designated by the Nationwide~~  
6 ~~Mortgage Licensing System~~] to use NMLS to collect and maintain  
7 records and process transaction fees or other fees related to  
8 licensees or other persons subject to this chapter."

9           2. By amending subsection (d) to read:

10          "(d) In connection with an application for a license under  
11 this chapter, the applicant, at a minimum, shall furnish to [~~the~~  
12 ~~Nationwide Mortgage Licensing System~~] NMLS information  
13 concerning the applicant's identity, including:

14           (1) Fingerprints of the applicant [~~and,~~] or, if an  
15 applicant is not an individual, each of the  
16 applicant's control persons, executive officers,  
17 directors, general partners, and managing members for  
18 submission to the Federal Bureau of Investigation and  
19 any governmental agency or entity authorized to  
20 receive the fingerprints for a state, national, and  
21 international criminal history background check; and



1           (2) Personal history and experience of the applicant  
2           ~~[and,]~~ or, if an applicant is not an individual, each  
3           of the applicant's control persons, executive  
4           officers, directors, general partners, and managing  
5           members in a form prescribed by ~~[the Nationwide~~  
6           ~~Mortgage Licensing System]~~ NMLS including the  
7           submission of authorization for ~~[the Nationwide~~  
8           ~~Mortgage Licensing System]~~ NMLS and the commissioner  
9           to obtain:

10           (A) An independent credit report obtained from a  
11           consumer reporting agency described in section  
12           603(p) of the Fair Credit Reporting Act, title 15  
13           United States Code section 1681 et seq.; and

14           (B) Information related to any administrative, civil,  
15           or criminal findings by any governmental  
16           jurisdiction;

17 provided that the commissioner may use any information obtained  
18 pursuant to this subsection or through ~~[the Nationwide Mortgage~~  
19 ~~Licensing System]~~ NMLS to determine an applicant's demonstrated  
20 financial responsibility, character, and general fitness for  
21 licensure."



1 SECTION 8. Section 454F-6, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) An applicant for licensure as a mortgage loan  
4 originator shall complete at least twenty hours of pre-licensing  
5 education approved in accordance with subsection (b) that  
6 includes:

7 (1) Three hours of federal law and regulations [7] and  
8 three hours of state law and rules;

9 (2) Three hours of ethics, that shall include instruction  
10 on fraud, consumer protection, and fair lending  
11 issues; and

12 (3) Two hours of training related to lending standards for  
13 the nontraditional mortgage product marketplace.

14 Upon completion of the pre-licensing education, an individual  
15 has up to twelve months to submit an application for licensure  
16 as a mortgage loan originator. An individual who submits an  
17 application after the twelve months have expired will be  
18 required to repeat the pre-licensing education requirements."

19 SECTION 9. Section 454F-7, Hawaii Revised Statutes, is  
20 amended to read as follows:

21 "**§454F-7 Testing of mortgage loan originators.** (a) To  
22 meet the [~~passing of the~~] written test requirement in section



1 454F-5, an applicant for licensure as a mortgage loan originator  
2 shall pass, in accordance with the standards established under  
3 this section, a qualified written test developed by [~~the~~  
4 ~~Nationwide Mortgage Licensing System~~] NMLS and administered by a  
5 test provider approved by [~~the Nationwide Mortgage Licensing~~  
6 ~~System~~] NMLS based upon reasonable standards.

7 (b) A written test shall not be treated as a qualified  
8 written test for purposes of subsection (a) unless the test  
9 adequately measures the applicant's knowledge and comprehension  
10 in appropriate subject areas, including:

- 11 (1) Ethics;
- 12 (2) Federal law and regulations pertaining to mortgage  
13 origination;
- 14 (3) State law and rules pertaining to mortgage  
15 origination; and
- 16 (4) Federal and state law, rules, and regulations,  
17 including instruction on fraud, consumer protection,  
18 the nontraditional mortgage marketplace, and fair  
19 lending issues.

20 (c) Nothing in this section shall prohibit a test provider  
21 approved by [~~the Nationwide Mortgage Licensing System~~] NMLS from  
22 providing a test at the location of the employer of the



1 applicant, the location of any subsidiary or affiliate of the  
2 employer of the applicant, or the location of any entity with  
3 which the applicant holds an exclusive arrangement to conduct  
4 the business of a mortgage loan originator.

5 (d) An individual shall have passed a qualified written  
6 test if the individual achieves a test score of seventy-five per  
7 cent of the correct answers to questions or better. An  
8 individual may [~~retake~~] take a test three [~~consecutive~~] times  
9 with each [~~consecutive-taking~~] retest occurring at least thirty  
10 days after the preceding test. After failing three consecutive  
11 tests, an individual shall wait at least six months before  
12 taking the test again. A licensed mortgage loan originator who  
13 fails to maintain a valid license for a period of five years or  
14 longer not taking into account any time during which the  
15 individual is an exempt registered mortgage loan originator,  
16 shall retake the test."

17 SECTION 10. Section 454F-8, Hawaii Revised Statutes, is  
18 amended to read as follows:

19 "**§454F-8 Standards for license renewal.** (a) The minimum  
20 standards for license renewal for mortgage loan originators  
21 shall include the following:



- 1 (1) The mortgage loan originator continues to meet the  
2 minimum standards for licensure under section 454F-5;
- 3 (2) The mortgage loan originator has satisfied the annual  
4 continuing education requirements in section 454F-9 [7]  
5 prior to requesting renewal; and
- 6 (3) The mortgage loan originator has paid all required  
7 fees for renewal of the license.
- 8 (b) The minimum standards for license renewal for mortgage  
9 loan originator companies shall include the following:
- 10 (1) The mortgage loan originator company continues to meet  
11 the minimum standards for licensure established  
12 pursuant to section 454F-5;
- 13 (2) The mortgage loan originator company's qualified  
14 individual and every branch manager have satisfied the  
15 minimum standards for license renewal; and
- 16 (3) The mortgage loan originator company has paid all  
17 required fees for renewal of the license.
- 18 (c) The minimum standards for license renewal for a  
19 mortgage servicer company shall include the following:
- 20 (1) The mortgage servicer company continues to meet the  
21 minimum standards for licensure established pursuant  
22 to section 454F-5; and



1        (2) The mortgage servicer company has paid all required  
2        fees for renewal of the license.

3        [~~(e)~~] (d) The license of a mortgage loan originator [~~or~~],  
4 mortgage loan originator company, or mortgage servicer company  
5 that fails to satisfy the minimum standards for license renewal  
6 shall expire. The commissioner may adopt procedures for the  
7 reinstatement of expired licenses consistent with section 454F-  
8 8.5 and the standards established by [~~the Nationwide Mortgage~~  
9 ~~Licensing System.~~] NMLS."

10        SECTION 11. Section 454F-9, Hawaii Revised Statutes, is  
11 amended by amending subsection (a) to read as follows:

12        "(a) Each year, a licensed mortgage loan originator shall  
13 complete at least eight hours of education approved in  
14 accordance with subsection (b) that shall include [~~at least~~]:

15        (1) Three hours of federal law and regulations;

16        (2) One hour of state law and rules;

17        [~~(2)~~] (3) Two hours of ethics that shall include  
18 instruction on fraud, consumer protection, and fair  
19 lending issues; and

20        [~~(3)~~] (4) Two hours of training related to lending  
21 standards for the nontraditional mortgage product  
22 marketplace."





1 SECTION 12. Section 454F-10, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§454F-10 Authority to require license. In addition to  
4 any other duties imposed upon the commissioner, the commissioner  
5 shall require mortgage loan originators [~~and~~], mortgage loan  
6 originator companies, and mortgage servicer companies to be  
7 licensed and registered through [~~the Nationwide Mortgage~~  
8 ~~Licensing System.~~] NMLS. The commissioner is authorized to  
9 participate in [~~the Nationwide Mortgage Licensing System.~~] NMLS.  
10 The commissioner may establish by rule pursuant to chapter 91,  
11 requirements for mortgage loan originators [~~and~~], mortgage loan  
12 originator companies, and mortgage servicer companies,  
13 including:

- 14 (1) Background checks of:
- 15 (A) Criminal history through fingerprint or other  
16 databases;
- 17 (B) Civil or administrative records;
- 18 (C) Credit history; and
- 19 (D) Any other source deemed necessary by [~~the~~  
20 ~~Nationwide Mortgage Licensing System,~~] NMLS;
- 21 (2) Fees to apply for or renew licenses through [~~the~~  
22 ~~Nationwide Mortgage Licensing System,~~] NMLS;



- 1 (3) The setting or resetting as necessary of license  
2 renewal and reporting dates;
- 3 (4) Requirements for amending or surrendering a license;  
4 and
- 5 (5) Any other activity the commissioner deems necessary to  
6 participate in [~~the Nationwide Mortgage Licensing~~  
7 ~~System.~~] NMLS."

8 SECTION 13. Section 454F-10.5, Hawaii Revised Statutes, is  
9 amended to read as follows:

10 "§454F-10.5 Authorized places of business; designation of  
11 qualified individuals and branch managers; branch offices; out-  
12 of-state headquarters; relocation. (a) Every mortgage loan  
13 originator company licensed under this chapter shall have and  
14 maintain a principal place of business in the State and shall  
15 designate a qualified individual who is licensed as a mortgage  
16 loan originator pursuant to this chapter to oversee mortgage  
17 loan originators employed or contracted by the company. If the  
18 qualified individual is physically located at a branch office,  
19 the qualified individual may also be designated as the branch  
20 manager.

21 (b) A mortgage loan originator company shall not maintain  
22 any branch offices in the State in addition to its principal



1 place of business without the prior written approval of the  
2 commissioner. An application to establish a branch office shall  
3 be submitted through NMLS with a nonrefundable application fee  
4 as required by section 454F-22. A mortgage loan originator  
5 company [~~that establishes one or more branch offices pursuant to~~  
6 ~~this subsection~~] shall designate a branch manager for each  
7 branch office [~~located at~~] who is physically present in the  
8 branch office to oversee that branch office. Every branch  
9 manager shall be licensed as a mortgage loan originator pursuant  
10 to this chapter.

11 (c) A mortgage loan originator company shall not relocate  
12 any office in this State without the prior written approval of  
13 the commissioner. An application to relocate an office shall be  
14 submitted to the commissioner at least thirty days prior to  
15 relocating and shall set forth the reasons for the relocation,  
16 the street address of the proposed relocated office, and other  
17 information that may be required by the commissioner. An  
18 application to relocate an office pursuant to this subsection  
19 shall be submitted with a nonrefundable fee as required by  
20 section 454F-22.



1 (d) A mortgage loan originator company shall give the  
2 commissioner notice of its intent to close a branch office at  
3 least thirty days prior to the closing. The notice shall:

- 4 (1) State the intended date of closing; and
- 5 (2) Specify the reasons for the closing.

6 (e) A mortgage loan originator company that maintains its  
7 headquarters outside of the State shall:

- 8 (1) Designate an office in this State as its principal  
9 place of business in this State;
- 10 (2) Apply for and obtain approval from the commissioner to  
11 designate its principal place of business in this  
12 State as a branch office pursuant to this section; and
- 13 (3) Designate a qualified individual who shall hold a  
14 license as a mortgage loan originator pursuant to this  
15 chapter; provided that the qualified individual may be  
16 the same person designated as the branch manager.

17 (f) A mortgage loan originator company that maintains its  
18 headquarters in this State shall designate a qualified  
19 individual who is physically present in the principal place of  
20 business office as its branch manager to oversee and manage that  
21 principal place of business office."



1 SECTION 14. Section 454F-11, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§454F-11 [~~Nationwide Mortgage Licensing System~~] NMLS  
4 registry information; challenge process. The commissioner shall  
5 establish a process by rule pursuant to chapter 91 whereby a  
6 licensee may challenge information entered into [~~the Nationwide~~  
7 ~~Mortgage Licensing System~~] NMLS by the commissioner."

8 SECTION 15. Section 454F-15, Hawaii Revised Statutes, is  
9 amended by amending subsection (i) to read as follows:

10 "(i) The commissioner may charge an examination or  
11 investigation fee, payable to the division, based upon the cost  
12 per hour per examiner for all licensees and persons subject to  
13 this chapter examined or investigated by the commissioner or the  
14 commissioner's staff. The hourly fee shall be [~~\$40~~] \$60 or an  
15 amount as the commissioner shall establish by rule pursuant to  
16 chapter 91. In addition to the examination or investigation  
17 fee, the commissioner may charge any person that is examined or  
18 investigated by the commissioner or the commissioner's staff  
19 pursuant to this section additional amounts for travel, per  
20 diem, mileage, and other reasonable expenses incurred in  
21 connection with the examination or investigation, payable to the  
22 division."



1 SECTION 16. Section 454F-16, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§454F-16 Mortgage call reports. Each licensee, as may be  
4 required by title 12 United States Code sections 5101 to 5116,  
5 shall submit quarterly to [~~the Nationwide Mortgage Licensing~~  
6 ~~System~~] NMLS reports of condition, using the form entitled  
7 "REPORT OF CONDITION", which shall be in the form and contain  
8 the information as [~~the Nationwide Mortgage Licensing System~~]  
9 NMLS may require."

10 SECTION 17. Section 454F-20, Hawaii Revised Statutes, is  
11 amended to read as follows:

12 "[~~§~~454F-20 [~~§~~] Report to [~~Nationwide Mortgage Licensing~~  
13 ~~System~~.] NMLS. Notwithstanding any other law to the contrary,  
14 the commissioner is required to regularly report violations of  
15 this chapter, as well as enforcement actions and other relevant  
16 information, to [~~the Nationwide Mortgage Licensing System~~] NMLS  
17 subject to the confidentiality provisions contained in section  
18 454F-14."

19 SECTION 18. Section 454F-22, Hawaii Revised Statutes, is  
20 amended to read as follows:

21 "§454F-22 Mortgage loan originator, mortgage loan  
22 originator company, [~~and~~] exempt sponsoring mortgage loan



1 originator company, and mortgage servicer company fees. (a)

2 [A] Except as provided in subsection (b), a mortgage loan  
3 originator shall pay the following fees to obtain and maintain a  
4 valid mortgage loan originator license:

- 5 (1) Initial application fee of [~~\$500~~] \$600;
- 6 (2) Annual license renewal fee of [~~\$300~~] \$350;
- 7 (3) Reinstatement fee of \$100;
- 8 (4) Late fee of \$25 per day; and
- 9 (5) Criminal background check fee of \$35, or of an amount  
10 determined by the commissioner by rule pursuant to  
11 chapter 91.

12 (b) A sole proprietor mortgage loan originator shall pay  
13 the following fees to obtain and maintain a valid sole  
14 proprietor mortgage loan originator license:

- 15 (1) Initial application fee of \$35;
- 16 (2) Annual license renewal fee of \$35;
- 17 (3) Reinstatement fee of \$100;
- 18 (4) Late fee of \$25 per day; and
- 19 (5) Criminal background check fee of \$35, or of an amount  
20 determined by the commissioner by rule pursuant to  
21 chapter 91.



1           ~~[(b)]~~ (c) A mortgage loan originator company shall pay the  
2 following fees to maintain a valid mortgage loan originator  
3 company license or branch license:

4           (1) Fees payable for a principal office of a mortgage loan  
5 originator company:

6           (A) Initial application fee of \$900;

7           ~~(B)~~ (B) Processing fee of \$35 for each control person;

8           ~~(C)~~ (C) Annual license renewal fee of \$600;

9           ~~(D)~~ (D) Reinstatement fee of \$100;

10          ~~(E)~~ (E) Late fee of \$25 per day; and

11          ~~(F)~~ (F) Criminal background check fee of \$35, or of  
12 an amount determined by the commissioner by rule  
13 pursuant to chapter 91, for each control person,  
14 executive officer, director, general partner, and  
15 manager; and

16          (2) Fees payable for each branch office of a mortgage loan  
17 originator company:

18          (A) Initial application fee of \$250;

19          (B) Annual license renewal fee of \$100;

20          (C) Reinstatement fee of \$100; and

21          (D) Late fee of \$25 per day.





1           ~~[(e)]~~ (d) An exempt sponsoring mortgage loan originator  
2 company shall pay the following fees to maintain a valid  
3 registration in ~~[the Nationwide Mortgage Licensing System and~~  
4 ~~Registry:]~~ NMLS:

- 5           (1) Initial registration fee of \$200;
- 6           (2) Annual registration renewal fee of \$150; and
- 7           (3) Late fee of \$25 per day.

8           ~~[(d)]~~ (e) A nonprofit organization shall pay the following  
9 fees to maintain a valid registration as a nonprofit  
10 organization in ~~[the Nationwide Mortgage Licensing System and~~  
11 ~~Registry:]~~ NMLS:

- 12           (1) Initial registration fee of \$200;
- 13           (2) Annual registration renewal fee of \$150; and
- 14           (3) Late fee of \$25 per day.

15           (f) A mortgage servicer company shall pay the following  
16 fees to maintain a valid mortgage loan originator company  
17 license:

- 18           (1) Fees payable for a principal office of a mortgage  
19 servicer company:
  - 20           (A) Initial application fee of \$900;
  - 21           (B) Annual license renewal fee of \$600;
  - 22           (C) Reinstatement fee of \$100;



- 1           (D) Late fee of \$25 per day; and
- 2           (E) Criminal background check fee of \$35, or of an
- 3                   amount determined by the commissioner by rule
- 4                   pursuant to chapter 91, for each control person,
- 5                   executive officer, director, general partner, and
- 6                   managing member.

7           ~~[(e)]~~ (g) In addition to fees charged by ~~[the Nationwide~~

8 ~~Mortgage Licensing System,]~~ NMLS, a licensee shall pay to the

9 commissioner a fee of ~~[\$50]~~ \$100 for each of the following

10 amendments to information provided to ~~[the Nationwide Mortgage~~

11 ~~Licensing System]~~ NMLS that require the review of the

12 commissioner:

- 13           (1) Change of physical location or mailing address for
- 14                   branch office or principal place of business;
- 15           (2) Addition or deletion of a "d/b/a" assignment;
- 16           (3) Change of mortgage loan originator's sponsor;
- 17           (4) Change of qualified individual;
- 18           (5) Change of branch manager; and
- 19           (6) Change of mortgage loan originator company's legal
- 20                   name.

21 The commissioner, upon a showing of good cause, may waive any

22 fee set forth in this subsection.



1           ~~[(f)]~~ (h) The fees established by this section are  
2 nonrefundable and are in addition to any fees established and  
3 charged by ~~[the Nationwide Mortgage Licensing System,]~~ NMLS, an  
4 approved educational course provider, an approved educational  
5 testing provider, a law enforcement agency for fingerprints and  
6 background checks, or a credit reporting agency used by ~~[the~~  
7 ~~Nationwide Mortgage Licensing System.]~~ NMLS.

8           ~~[(g)]~~ (i) The commissioner may establish, by rule pursuant  
9 to chapter 91, any other fees or charges necessary for the  
10 administration of this chapter."

11           SECTION 19. Section 454F-41, Hawaii Revised Statutes, is  
12 amended by amending subsections (b) and (c) to read as follows:

13           "(b) In addition to application fees and any fees required  
14 by ~~[the Nationwide Mortgage Licensing System,]~~ NMLS, a licensee  
15 shall pay to the division a mortgage loan recovery fund fee as  
16 follows for deposit in the mortgage loan recovery fund:

17           (1) The sum of \$300 for each principal office location of  
18 a mortgage loan originator company~~[+]~~ or mortgage  
19 servicer company;

20           (2) The sum of \$250 for each branch office location of a  
21 mortgage loan originator company; and

22           (3) The sum of \$200 for each mortgage loan originator.



1 (c) Upon application for renewal of a license under this  
2 chapter, a licensee shall pay, in addition to the licensee's  
3 license renewal fee and fees required by [~~the Nationwide~~  
4 ~~Mortgage Licensing System,~~] NMLS, a mortgage loan recovery fund  
5 fee as follows for deposit in the mortgage loan recovery fund:

6 (1) The sum of \$200 for each principal office location of  
7 a mortgage loan originator company[+] or a mortgage  
8 servicer company;

9 (2) The sum of \$100 for each branch office location of a  
10 mortgage loan originator company; and

11 (3) The sum of \$100 for each mortgage loan originator.

12 Mortgage loan recovery fees collected pursuant to this  
13 subsection shall be refundable upon the denial of a license  
14 renewal by the commissioner."

15 SECTION 20. Sections 412:9-501(b); 454F-2.5; 454F-4(a),  
16 (c), (e), and (f); 454F-4.9; 454F-6(b) through (e); 454F-9(b),  
17 (c), (d), and (g); 454F-14; 454F-17; and 454F-23, Hawaii Revised  
18 Statutes, are amended by substituting the word "NMLS" wherever  
19 the words "the Nationwide Mortgage Licensing System", or similar  
20 term, appears, as the context requires.

21



1           SECTION 21. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3           SECTION 22. This Act shall take effect upon its approval.  
4  
5



**Report Title:**

Mortgage Servicers; Registration; Fees; NMLS

**Description:**

Raises application and renewal fees for mortgage loan originators, mortgage loan originator companies, and exempt sponsoring mortgage loan originator companies; and establishes fees for mortgage servicer companies that conduct mortgage loan origination activities. Substitutes the word "NMLS" wherever the words "the Nationwide Mortgage Licensing System", or similar term, appears, as the context requires. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

