

Honolulu, Hawaii

APR 26 2013

RE: S.B. No. 1069
S.D. 2
H.D. 2
C.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1069, 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:

- (1) Clarify licensure requirements for mortgage loan originators and mortgage loan originator companies, and for mortgage servicer companies that conduct mortgage loan origination activities;
- (2) Adjust fees for mortgage loan origination licensees; and
- (3) Establish fees for mortgage servicer companies that conduct mortgage loan origination activities.



Your Committee on Conference finds that this measure enhances the regulation of licensees under chapter 454F, Hawaii Revised Statutes, the Secure and Fair Enforcement for Mortgage Licensing Act. Your Committee on Conference further finds that in addition to clarifying the law regulating mortgage loan origination activities, this measure provides an adjusted licensing fee schedule to help ensure that the Division of Financial Institutions of the Department of Commerce and Consumer Affairs can continue to provide oversight and services for consumers and the mortgage loan origination industry.

Your Committee on Conference is encouraged by the communication between the parties affected by this measure. It is your Committee on Conference's hope that the relevant data continues to be shared. Your Committee on Conference therefore encourages the Division of Financial Institutions to provide more statistical information in the Department of Commerce and Consumer Affairs' annual report to the Legislature, such as the balance, revenues, and expenditures of the Mortgage Loan Recovery Fund.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a mortgage loan originator company shall pay a processing fee of \$35 for each control person and deleting the exemption for certain control persons;
- (2) Requiring an initial application fee of \$600 for a mortgage servicer company seeking a license to do business in Hawaii;
- (3) Removing the reporting requirement for the Commissioner of Financial Institutions detailing the implementation of Act 32, Special Session Laws of Hawaii 2009;
- (4) Inserting an effective date of upon approval; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

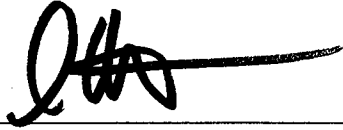
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1069, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1069, S.D. 2, H.D. 2, C.D. 1.



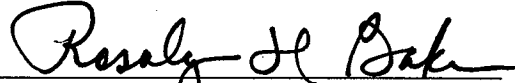
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



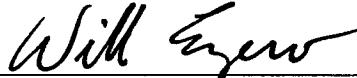
ANGUS L.K. MCKELVEY, Co-Chair



ROSALYN H. BAKER, Chair



SCOTT Y. NISHIMOTO, Co-Chair



WILL ESPERO, Co-Chair



