

**LATE**



March 26, 2013

TO: HOUSE COMMITTEE ON FINANCE  
Representative Sylvia Luke, Chair  
Representative Scott Nishimoto, Vice Chair  
Representative Aaron Johanson, Vice Chair

FROM: Jodie V. Tanga, President  
Hawaii Association of Mortgage Brokers

RE: S.B. 1069 SD2 HD1 Relating to Mortgage Loan Origination  
Position: Comments only

Chair Luke, Vice Chairs Nishimoto, Johanson and members of the Committee:

I am Jodie Tanga, President of the Hawaii Association of Mortgage Brokers (HAMB), a non-profit organization that is dedicated to promoting high standards of professionals in the mortgage industry through education and representation. We are a state affiliate of NAMB "The Association of Mortgage Brokers." HAMB's comments on the bill are limited to the proposed fee increases.

We appreciate the changes made to this bill by the House Committee on Consumer Protection and Commerce to reduce the fees on sole proprietor mortgage loan originators.

We have repeatedly requested information on how the fees collected are being utilized and expended. Recently, the dialogue has improved, but we still have not received the relevant information on the budget. While we note that in testimony before the Senate Ways and Means Committee the Commissioner provided the top line budget numbers, we would like more detail of the costs and revenues. Specifically, we pay fees for the Mortgage Loan Recovery Fund, but there is no reporting of the balance in the fund.

Therefore, we would like to suggest inserting the following language into the bill: **The commissioner of financial institutions shall prepare a report detailing the implementation of Act 32 (2009). The report shall include changes in federal law and regulations that affected the implementation of Act 32 (2009), the expenditures for the implementation of the Act, a complete accounting of the Mortgage Loan Recovery Fund including the fees collected and deposited since 2009, expenditures of the fund, and the current balance in the fund, staffing changes since 2009, cost savings as a result of the transfer of duties to NMLS, the number of**

**MLOs and MLOCs that completed initial licensure and that renewed licenses each year since 2009, and plans to reduce or control costs moving forward. The report shall be submitted 30 days prior to the convening of the 2014 Legislative Session.**

We appreciate the costs decreased last year and we would like to work with the Commission on exploring other cost-containment measures. With the economy in recovery and 226 more MLOs receiving licenses in 2012 than 2011, we support the non-fee related proposed changes. We support the inclusion of an education component on Hawaii law and requiring a local representative is present in the state.

Thank you for the opportunity to submit testimony.