

Honolulu, Hawaii

MAR 01 2013

RE: S.B. No. 1070
S.D. 2

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1070, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to enhance the regulation of mortgage servicers.

Specifically, the measure:

- (1) Expands the authority of the Commissioner of Financial Institutions to examine and investigate licensees and other persons subject to the mortgage servicer law, including:
 - (A) Access to accounts, records, documents, information, and evidence relevant to an inquiry or investigation;
 - (B) The ability to hire staff, contract for services, and share resources with other government or regulatory entities; and
 - (C) The authority to charge an hourly examination or investigation fee and reasonable expenses; and
- (2) Increases the application and renewal fees for mortgage servicer licenses.



Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that the Commissioner of Financial Institutions regulates mortgage servicers who relay residential mortgage loan payments from a borrower to the owner of the loan or to other third parties, pursuant to the terms of service. This measure provides the Commissioner with expanded examination and investigation tools and increases the fees for mortgage servicer license applications and renewals to a level commensurate with the actual costs of regulating the industry. Your Committee finds that this measure will ensure the availability of adequate resources for the effective and expeditious licensing and examination of mortgage servicers, which will promote the interests of consumers and businesses alike.

Your Committee has amended this measure by:

- (1) Adding a savings clause;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on this measure; and
- (3) Making technical nonsubstantive amendments for 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. 1070, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1070, S.D. 2.

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



DAVID Y. IGE, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <i>SB 1070, SDI</i>	Committee Referral: <i>CPN, WAM</i>	Date: <i>2-22-13</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	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.				✓
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam			✓	
TOTAL	<i>11</i>	<i>0</i>	<i>1</i>	<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
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*Only one measure per Record of Votes