

Honolulu, Hawaii

FEB 28 2014

RE: S.B. No. 2817
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2817, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT,"

begs leave to report as follows:

The purpose and intent of this measure is to enhance mortgage loan originator licensing laws.

Generally, the measure:

- (1) Repeals licensing exemptions for individuals handling mortgage loans for immediate family members or their own residence;
- (2) Updates requirements for the principal place of business and branch offices of mortgage loan originator companies;
- (3) Makes the failure to satisfy initial licensing requirements a basis for denying, suspending, revoking, declining to renew, or placing conditions on a license;
- (4) Requires mortgage loan originator companies to be open for business during posted business hours at each location, and authorizing the Commissioner of Financial Institutions to conduct an examination or investigation of the company during regular business hours; and



- (5) Makes various housekeeping amendments to clarify and update licensing requirements.

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

Your Committee finds that the Secure and Fair Enforcement for Mortgage Licensing Act under chapter 454F, Hawaii Revised Statutes, requires the licensing of mortgage loan originators who are in the business of offering, negotiating, or handling residential mortgage loans. This measure makes various housekeeping amendments to clarify the law and ensure consistency with earlier amendments, while updating other provisions to improve enforcement and enhance consumer protections in residential mortgage transactions.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, consistency, 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. 2817, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2817, S.D. 2.

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



DAVID Y. ICE, Chair



