

Honolulu, Hawaii

APR 29 2016

RE: S.B. No. 2850  
S.D. 2  
H.D. 1  
C.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2850, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MORTGAGE INDUSTRY REGULATION,"

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 make various amendments to the mortgage loan originators law, chapter 454F, Hawaii Revised Statutes, and the mortgage servicers law, chapter 454M, Hawaii Revised Statutes, by:

- (1) Increasing the clarity and consistency of the two chapters, including adding definitions, updating references to federal regulations, and applying the same confidentiality requirements to mortgage servicers that currently apply to mortgage loan originators;



- (2) Moving mortgage servicer provisions that currently appear in chapter 454F, Hawaii Revised Statutes, to chapter 454M, Hawaii Revised Statutes; and
- (3) Deleting the mortgage loan servicer loan modification license under chapter 454F, Hawaii Revised Statutes.

Your Committee on Conference finds that there is a degree of overlap between mortgage loan origination industry regulation governed by chapter 454F, Hawaii Revised Statutes, and mortgage servicer industry regulation governed by chapter 454M, Hawaii Revised Statutes. This measure makes various amendments to these chapters for clarity and consistency and migrates mortgage servicer provisions under chapter 454F, Hawaii Revised Statutes, into the mortgage servicer law, which will help eliminate confusion for mortgage servicers. Your Committee on Conference further finds that the amendments proposed by this measure will ensure clearer requirements within the mortgage loan origination and mortgage servicer industries, which will support licensee compliance.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the information sharing provisions added by the new confidentiality section under chapter 454M, Hawaii Revised Statutes, apply to regulatory officials with mortgage servicer industry oversight, rather than mortgage industry oversight;
- (2) Removing a reference to mortgage loan originators and mortgage loan originator companies in the new confidentiality section added to chapter 454M, Hawaii Revised Statutes, as these entities are governed by a confidentiality section in a different chapter;
- (3) Clarifying that the presumption of control provision for mortgage loan originator companies applies to voting securities of licensees or applicants;
- (4) Clarifying that the exemption under the mortgage servicer law for time share plans applies to a developer of a time share plan, or an affiliated entity of a developer of a time share plan, that services a specific type of loan and adding definitions associated with this exemption;
- (5) Changing its effective date to July 1, 2016; and



- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

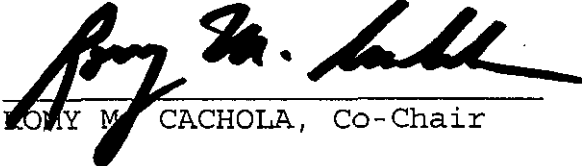
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2850, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2850, S.D. 2, H.D. 1, C.D. 1.

Respectfully submitted on behalf  
of the managers:


ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

  
\_\_\_\_\_  
ANGUS L.R. MCKELVEY, Co-Chair

  
\_\_\_\_\_  
TONY M. CACHOLA, Co-Chair

  
\_\_\_\_\_  
ROSALYN H. BAKER, Chair

  
\_\_\_\_\_  
GIL RIVIERE, Co-Chair



