
A BILL FOR AN ACT

RELATING TO MORTGAGE SERVICERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 454M-3, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§454M-3 Exemptions.** This chapter shall not apply to the
4 following:

- 5 (1) Any persons chartered or authorized under the laws of
6 any state or federal law to engage in the activity of
7 an insured depository institution as defined in title
8 12 United States Code section 1813(c)(2), including
9 banks or savings associations, and operating
10 subsidiaries of an insured depository institution;
- 11 (2) Trust companies, credit unions, insurance companies,
12 and financial service loan companies licensed by the
13 State;
- 14 (3) The Federal Deposit Insurance Corporation, in
15 connection with assets acquired, assigned, sold, or
16 transferred pursuant to section 13(c) of the Federal



1 Deposit Insurance Act or as receiver or conservator of
2 an insured depository institution;

3 (4) The Federal National Mortgage Association; the Federal
4 Home Loan Mortgage Corporation; the Federal Deposit
5 Insurance Corporation; the United States Department of
6 Housing and Urban Development, and the Government
7 National Mortgage Association and the Federal Housing
8 Administration, and cases in which a mortgage insured
9 under the National Housing Act, 12 United States Code
10 section 1701 et seq., is assigned to the United States
11 Department of Housing and Urban Development; the
12 National Credit Union Administration; the Farmers Home
13 Administration or its successor agency under Public
14 Law 103-354; and the Department of Veterans Affairs,
15 in any case in which the assignment, sale, or transfer
16 of the servicing of the mortgage loan is preceded by
17 termination of the contract for servicing the loan for
18 cause, commencement of proceedings for bankruptcy of
19 the servicer, or commencement of proceedings by the
20 Federal Deposit Insurance Corporation for



- 1 conservatorship or receivership of the servicer or an
- 2 entity by which the servicer is owned or controlled;
- 3 (5) Any person making or acquiring contemporaneously no
- 4 more than five residential mortgage loans with that
- 5 person's own funds for that person's own investment;
- 6 [and]
- 7 (6) A developer of a time share plan, or an affiliated
- 8 entity of a developer of a time share plan, servicing
- 9 a loan that is:
- 10 (A) Made by the developer or the developer's
- 11 affiliated entity; and
- 12 (B) Secured by a lien on a time share interest [-];
- 13 and
- 14 (7) Any nonprofit organization and its employees exempt
- 15 from section 454F-25."

16 SECTION 2. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 3. This Act shall take effect upon its approval.

19

INTRODUCED BY:

Madeline K. Pugh
[Signature]
[Signature]



H.B. NO. 657

Report Title:

Mortgage Servicers; Nonprofit Organization

Description:

Exempts nonprofit organizations and their employees from the licensing and regulations of mortgage servicers.

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