

STAND. COM. REP. NO.

1311

Honolulu, Hawaii

MAR 21 2019

RE: H.B. No. 988
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred H.B. No. 988, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSITIONAL AUTHORITY IN THE
MORTGAGE INDUSTRY,"

begs leave to report as follows:

The purpose and intent of this measure is to implement
Section 106 of the federal Economic Growth, Regulatory Relief, and
Consumer Protection Act (Section 106), which provides a one
hundred twenty-day temporary transitional authority to originate
loans in this State for loan originators moving from a depository
institution to a non-depository institution and state-licensed
loan originators moving interstate.

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

Your Committee finds that when loan originators change jobs
within the profession, they encounter employment barriers due to
state licensing requirements. Nationally, approximately seventy-
five percent of the mortgage loan originators who apply for a
license would qualify for transitional authority because they are
either employed by a depository institution or are licensed in
another state. This measure integrates Section 106 into existing
law relating to mortgage loan originators by temporarily



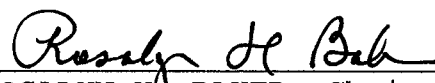
authorizing qualified mortgage loan originators to originate mortgage loans in the State for one hundred twenty days. During this time, a mortgage loan originator will have the opportunity to complete state requirements for licensure, including pre-education or continuing education, financial responsibility review, and criminal background review, which will ease the employment process for employers without the impact of delays associated with the state licensing process. A mortgage loan originator company also remains responsible for any origination errors caused by a mortgage loan originator with transitional authority, which ensures consumer protection during this transitional period.

Your Committee has amended this measure by:

- (1) Inserting an effective date of November 24, 2019, to conform with the date on which Section 106 will take effect; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 988, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 988, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,




ROSALYN H. BAKER, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:*	Committee Referral:	Date:	
HB 988, HD1	CPH, JDC	3/12/19	
<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			
BAKER, Rosalyn H. (C)	✓		
CHANG, Stanley (VC)	✓		
KEOHOKALOLE, Jarrett	✓		
NISHIHARA, Clarence K.	✓		
RUDERMAN, Russell E.	✓		
THIELEN, Laura H.	✓		
FEVELLA, Kurt			✓
TOTAL	6		1
Recommendation:			
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted			
Chair's or Designee's Signature:			
			
Distribution:			
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy

*Only one measure per Record of Votes