

Honolulu, Hawaii

FEB 07 , 2020

RE: H.B. No. 2323  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Intrastate Commerce, to which was referred  
H.B. No. 2323 entitled:

"A BILL FOR AN ACT RELATING TO THE MORTGAGE LOAN RECOVERY  
FUND,"

begs leave to report as follows:

The purpose of this measure is to expand the pool of persons  
eligible to receive restitution from the Mortgage Loan Recovery  
Fund to include those persons the Commissioner of Financial  
Institutions has determined are entitled to restitution.

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

Your Committee finds that under the existing system, a  
restitution payment to an aggrieved person from the Mortgage Loan  
Recovery Fund is limited to court orders or final judgments  
against a licensee. This measure seeks to streamline the  
restitution process by allowing aggrieved parties to obtain  
restitution by order of the Commissioner of Financial Institutions  
after an appropriate examination or investigation of the licensee  
by the Division of Financial Institutions.

Your Committee has amended this measure by:



- (1) Authorizing the Director of Commerce and Consumer Affairs, rather than the Commissioner of Financial Institutions to issue orders for restitution;
- (2) Clarifying that the aggravating conduct by a licensee includes fraud, misrepresentation, or deceit; and
- (3) 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 Intrastate Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2323, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Intrastate  
Commerce,



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TAKASHI OHNO, Chair



