

Honolulu, Hawaii

FEB 14 2024RE: S.B. No. 2121
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2121 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize consumers aggrieved by the conduct of a mortgage loan originator licensee to recover from the Mortgage Loan Recovery Fund;
- (2) Allow for excess moneys in the Mortgage Loan Recovery Fund to be used for certain training and educational purposes; and
- (3) Increase to \$150,000 the restitution available to consumers from the Mortgage Loan Recovery Fund.

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

Your Committee finds that a person who holds a court order against a mortgage loan originator company licensee for fraud, deceit, or misrepresentation, is eligible to receive restitution from the Mortgage Loan Recovery Fund. However, existing law does



not allow a person aggrieved in a similar manner by an individual mortgage loan originator licensee--as opposed to a mortgage loan originator company licensee--to receive restitution from the Mortgage Loan Recovery Fund. Therefore, this measure clarifies that persons aggrieved by the conduct of an individual mortgage loan originator licensee may receive restitution from the fund. Further, this measure will allow a portion of the Mortgage Loan Recovery Fund to be used for certain training and educational purposes, and will increase the amount of restitution available to consumers from the Mortgage Loan Recovery Fund.

Your Committee has amended this measure by deleting \$50,000 and inserting an unspecified amount of funds from the Mortgage Loan Recovery Fund's surplus balance that the Division of Financial Institutions of the Department of Commerce and Consumer Affairs may use for training and educational purposes.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2121, S.D. 1, and be referred to your Committee on Ways and Means.

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



JARRETT KEOHOKALOLE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* <i>SB 2121</i>	Committee Referral: <i>CPN, W/BM</i>	Date: <i>2/2/24</i>
---	---	------------------------


The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton	✓			
TOTAL	<i>5</i>			<i>0</i>

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature:


Distribution:
Original
Yellow
Pink
Goldenrod
File with Committee Report
Clerk's Office
Drafting Agency
Committee File Copy

***Only one measure per Record of Votes**