Honolulu, Hawaii

March 24 , 201

RE: S.B. No. 756

S.D. 1 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2015 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 756, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT,"

begs leave to report as follows:

The purpose of this measure is to establish a mortgage license exemption for a seller of real property who:

- (1) Offers or negotiates terms of a residential mortgage loan secured by the seller's own real property and for which the seller is the mortgagee;
- (2) Is an individual who provides three or fewer residential mortgage loans per calendar year and the interest rate for the loan is not above the State's usury limit; and
- (3) Provides the buyer a disclosure with the terms of the transaction.

An individual testified in support of this measure. The Hawaii Association of REALTORS supported this measure with amendments. The Department of Commerce and Consumer Affairs provided comments on this measure.

Your Committee has amended this measure by:

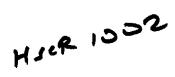
- Specifying that the exemption applies to a seller who is a person, estate, or trust; and
- (2) Requiring that the seller provide the buyer a written document with the loan amount, payment schedule, and consequences of default, instead of a disclosure with the terms of the transaction.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 756, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 756, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

ANGUS L.K. McKELVEY, Chair

State of Hawaii House of Representatives The Twenty-eighth Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.:	Committee Referral:		Date:		
SB 756 SD1	CPC, JUD		03.18.15		
The committee is reconsidering its previous decision on the measure.					
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold					
☐ Pass short form bill with HD to recommit for future public hearing (recommit)					
CPC Members	Ayes	Ayes (WR)	Nays	Excused	
1. McKELVEY, Angus L.K. (C)					
2. WOODSON, Justin H. (VC)					
3. BELATTI, Della Au				· -	
4. BROWER, Tom				"	
5. CREAGAN, Richard P.					
6. HAR, Sharon E.					
7. HASHEM, Mark J.	\				
8. KAWAKAMI, Derek S.K.					
9. LEE, Chris				***	
10. NAKASHIMA, Mark M.				**	
11. OSHIRO, Marcus R.					
12. SAN BUENAVENTURA, Joy A.	\				
13. TAKAYAMA, Gregg	\				
14. YAMANE, Ryan I.					
15. FUKUMOTO CHANG, Beth					
16. MCDERMOTT, Bob					
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TOTAL (16)	lu				
The recommendation is: Adop	ted	☐ Not Adopted			
If joint referral, did not support recommendation.					
committee acronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO					