

Honolulu, Hawaii

April 21, 2012

RE: H.B. No. 2502
H.D. 2
S.D. 2
C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 2502, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO MORTGAGE SERVICERS,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to help protect Hawaii homeowners by, among other things:

- (1) Allowing the Commissioner of Financial Institutions (Commissioner) to require all mortgage servicers to register with the Nationwide Mortgage Licensing System (NMLS);
- (2) Prohibiting any person licensed as a mortgage servicer from providing mortgage-loan modifications or any other services that would require licensing under chapter 454F,



Hawaii Revised Statutes (HRS), without first complying with the licensure requirements of chapter 454F, HRS;

- (3) Allowing the Commissioner to establish relationships or contracts with the NMLS or other entities designated by the NMLS to collect and maintain records and process transaction fees or other fees related to licensees or other applicable persons;
- (4) To the extent reasonably necessary to participate in the NMLS, allowing the Commissioner to waive or modify, in whole or in part, by rule or order, any or all of the requirements of chapter 454M, HRS, and establish new requirements;
- (5) Allowing the Commissioner to use the NMLS as an agent for requesting information from and distributing information to the United States Department of Justice, any governmental agency, or any other source, as directed by the Commissioner; and
- (6) Providing that any person who violates chapter 454M, HRS, may be subject to an administrative fine of not more than \$7,000 for each violation; provided that \$1,000 of the aggregate fine amount per order must be deposited into the Mortgage Foreclosure Dispute Resolution Special Fund.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that, to the extent reasonably necessary to participate in the NMLS, the Commissioner may modify any or all of the requirements of sections 454M-4(e) and 454M-4(f), HRS; and
- (2) Retaining existing statutory provisions pertaining to violations of chapter 454M, HRS, and the related administrative fines.

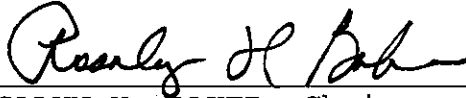
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2502, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2502, H.D. 2, S.D. 2, C.D. 1.



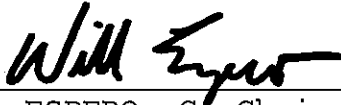
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



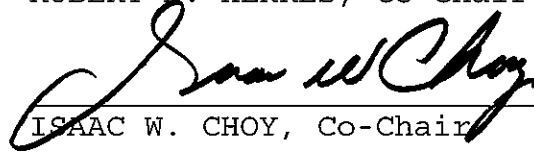
ROSALYN H. BAKER, Chair



WILL ESPERO, Co-Chair



ROBERT N. HERKES, Co-Chair



ISAAC W. CHOY, Co-Chair



Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: HB 2502, HD 2, SD 2	Date/Time: 4-24-2012 10:25 AM
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				HERKES, Robert N., Co-Chr.	✓			
ESPERO, Will, Co-Chr.	✓				CHOY, Isaac W., Co-Chr.	✓			
SLOM, Sam	✓				TSUJI, Clift	✓			
					YAMANE, Ryan I.	✓			
					RIVIERE, Gil	✓			
TOTAL	3				TOTAL	5			

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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