
A BILL FOR AN ACT

RELATING TO MORTGAGE LOAN ORIGINATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 412:9-501, Hawaii Revised Statutes, is
2 amended by amending its title to read as follows:

3 "[+]§412:9-501[+] Registration of nondepository financial
4 services loan companies with [~~Nationwide Mortgage Licensing~~
5 ~~System.~~] NMLS."

6 SECTION 2. Section 454F-1, Hawaii Revised Statutes, is
7 amended as follows:

8 1. By adding four new definitions to be appropriately
9 inserted and to read:

10 "Loan modification" means a temporary or permanent change
11 to the terms of a borrower's existing loan agreement, mutually
12 agreed to between a borrower and a lender.

13 "Mortgage call report" means a single report of conditions
14 that each licensee may be required to submit to NMLS.

15 "NMLS" means a mortgage licensing system developed and
16 maintained by the Conference of State Bank Supervisors and the
17 American Association of Residential Mortgage Regulators for the
18 state licensing and registration of state-licensed loan



1 originators and other financial services providers, or any
2 system provided by the Consumer Financial Protection Bureau.

3 "Principal place of business" means a mortgage loan
4 originator company's main office location in this State that is
5 separate from a branch office unless the branch office is
6 specified as the principal place of business by a mortgage loan
7 originator company headquartered out-of-state and identified by
8 any means to consumers as a location at which the licensee holds
9 itself out as a mortgage loan originator company."

10 2. By amending the definitions of "branch manager",
11 "branch office", "exempt registered mortgage loan originator",
12 "licensee", "mortgage loan originator", "mortgage servicer
13 company", and "sponsor" to read:

14 "Branch manager" means an individual who is designated and
15 employed by a mortgage loan originator company to be responsible
16 for the activities in the conduct of business of the licensed
17 mortgage loan originator company's branch office[-] or principal
18 place of business, in conducting the business of that mortgage
19 loan originator company's branch office[-] or principal place of
20 business.

21 "Branch office" means any location, separate from the
22 principal place of business of the mortgage loan originator



1 company that is identified by any means to the public or
2 customers as a location at which the licensee holds itself out
3 as a mortgage loan originator company. For mortgage loan
4 originator companies headquartered out-of-state, a branch office
5 may be its principal place of business.

6 "Exempt registered mortgage loan originator" means any
7 individual who:

8 (1) Meets the definition of mortgage loan originator and
9 is an employee of:

10 (A) An insured depository institution;

11 [~~(B) A subsidiary that is:~~

12 ~~(i) Owned and controlled by an insured~~
13 ~~depository institution; and~~

14 ~~(ii) Regulated by a federal banking agency;]~~ or

15 [~~(C)~~] (B) An institution regulated by the Farm Credit
16 Administration; and

17 (2) Is registered with, and maintains a unique identifier
18 through, [~~the Nationwide Mortgage Licensing System~~]
19 NMLS but is not required to be licensed under this
20 chapter.

21 "Licensee" means a mortgage loan originator, a mortgage
22 loan originator company, a mortgage servicer company, unless



1 exempt under chapter 454M, or a person who is [~~required to be~~
2 licensed under this chapter. Licensee does not include an
3 exempt registered mortgage loan originator [~~or~~], exempt
4 sponsoring mortgage loan originator company, or nonprofit
5 organization as defined by this section.

6 "Mortgage loan originator":

7 (1) Means an individual who for compensation or gain or in
8 the expectation of compensation or gain:

9 (A) Takes a residential mortgage loan application; or

10 (B) Offers or negotiates terms of a residential
11 mortgage loan; [~~and~~]

12 (2) Means any individual who offers or negotiates the
13 terms of a residential mortgage loan secured by a
14 dwelling that served as the individual's residence,
15 including a vacation home, or inherited property that
16 served as the deceased's dwelling; provided that the
17 individual does not act as a mortgage loan originator
18 or provide financing for such sales more than three
19 times in a calendar year; and

20 [~~+2~~] (3) Includes an independent contractor as defined in
21 this section.



1 "Mortgage servicer company" means a mortgage servicer
2 company licensed under chapter 454M[-] that employs one or more
3 individuals who conduct mortgage loan origination activity.

4 "Sponsor" means to:

- 5 (1) Create a relationship through [~~the Nationwide Mortgage~~
6 ~~Licensing System,~~] NMLS; and
7 (2) Appropriately supervise a mortgage loan originator's
8 activities."

9 3. By deleting the definition of "Nationwide Mortgage
10 Licensing System" or "Nationwide Mortgage Licensing System and
11 Registry":

12 [~~"Nationwide Mortgage Licensing System" or "Nationwide~~
13 ~~Mortgage Licensing System and Registry" means a mortgage~~
14 ~~licensing system developed and maintained by the Conference of~~
15 ~~State Bank Supervisors and the American Association of~~
16 ~~Residential Mortgage Regulators for the licensing and~~
17 ~~registration of mortgage loan originators, mortgage loan~~
18 ~~originator companies, exempt registered mortgage loan~~
19 ~~originators, and exempt registered mortgage loan originator~~
20 ~~companies as defined by this chapter."]~~

21 SECTION 3. Section 454F-1.5, Hawaii Revised Statutes, is
22 amended to read as follows:



1 "~~§454F-1.5~~ **Registration with [~~Nationwide Mortgage~~**
2 **~~Licensing System~~]** NMLS required. (a) All mortgage loan
3 originators, mortgage loan originator companies, exempt
4 sponsoring mortgage loan originator companies, nonprofit
5 organizations, mortgage servicer companies, and every other
6 person in this State that originates a residential mortgage
7 loan, unless exempt under section 454F-2, shall register with
8 [~~the Nationwide Mortgage Licensing System.~~] NMLS.

9 (b) Exempt registered mortgage loan originators, unless
10 exempt under section 454F-2, shall register and maintain a
11 unique identifier through [~~the Nationwide Mortgage Licensing~~
12 ~~System.~~] NMLS, but shall not be required to be licensed under
13 this chapter."

14 SECTION 4. Section 454F-1.6, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "~~§454F-1.6~~ **Presumption of control.** An individual is
17 presumed to control a mortgage loan originator company or a
18 mortgage servicer company if that individual is a director,
19 general partner, managing member, or executive officer who
20 directly or indirectly has the right to vote ten per cent or
21 more of a class of voting securities or has the power to sell or
22 direct the sale of ten per cent or more of a class of voting



1 securities of that mortgage loan originator company[-] or
2 mortgage servicer company."

3 SECTION 5. Section 454F-1.7, Hawaii Revised Statutes, is
4 amended by amending its title to read as follows:

5 "**§454F-1.7 Duties of a mortgage loan originator company's**
6 **qualified individual and branch manager.**"

7 SECTION 6. Section 454F-3, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§454F-3 Requirement of licensure.** (a) Effective
10 January 1, 2011, or such later date approved by the United
11 States Department of Housing and Urban Development pursuant to
12 the authority granted under Public Law 110-289, section 1508(e),
13 title 12 United States Code section 5107(e), a person, unless
14 specifically exempted from this chapter, shall not engage in the
15 business of a mortgage loan originator or mortgage loan
16 originator company with respect to any dwelling located in this
17 State without first obtaining and maintaining annually, a
18 license under this chapter. Each licensed mortgage loan
19 originator [~~or~~], mortgage loan originator company, or mortgage
20 servicer company shall register with and maintain a valid unique
21 identifier issued by [~~the Nationwide Mortgage Licensing System,~~]
22 NMLS and shall submit to [~~the Nationwide Mortgage Licensing~~



1 ~~System]~~ NMLS any reports that shall be in a form and contain
2 information as [~~the Nationwide Mortgage Licensing System]~~ NMLS
3 may require.

4 [~~A mortgage broker or mortgage solicitor who holds a~~
5 ~~license under chapter 454 that is valid as of December 31, 2010~~
6 ~~and who creates a record and obtains a unique identifying number~~
7 ~~in the Nationwide Mortgage Licensing System by November 30, 2010~~
8 ~~shall be determined to be in compliance with the licensing~~
9 ~~provisions of this chapter until the commissioner makes a final~~
10 ~~determination on the issuance or denial of the individual's~~
11 ~~license.]~~

12 (b) An independent contractor shall not engage in the
13 activities of a loan processor or underwriter without a license
14 pursuant to section 454F-4. Each independent contractor
15 licensed as a mortgage loan originator shall obtain and maintain
16 a valid unique identifier issued by [~~the Nationwide Mortgage~~
17 ~~Licensing System.]~~ NMLS. An independent contractor who is not
18 an exclusive agent of a mortgage loan originator company, in
19 addition to obtaining a license as a mortgage loan originator,
20 shall obtain a license as a mortgage loan originator company.

21 (c) A loan processor or underwriter who does not represent
22 to the public, through advertising or other means of



1 communicating or providing information, including through
2 business cards, stationery, brochures, signs, rate lists, or
3 other promotional items, that the individual can or will perform
4 any of the activities of a mortgage loan originator, who does
5 not advertise that the individual can or will perform any of the
6 activities of a mortgage loan originator, and who does not
7 engage in the activities of a mortgage loan originator shall not
8 be required to be licensed under this chapter.

9 ~~[(d) Upon obtaining a [licensing] determination under this~~
10 ~~chapter, an applicant's license issued under chapter 454 shall~~
11 ~~automatically terminate.~~

12 ~~(e)]~~ (d) If this section or any provision of this section
13 conflicts at any time with any federal law, then the federal law
14 shall prevail and this section or the relevant provisions of
15 this section shall become ineffective and invalid. The
16 ineffectiveness or invalidity of this section or any of its
17 provisions shall not affect any other provisions or applications
18 of this chapter which shall be given effect without the invalid
19 provision or application, and to this end, the provisions of
20 this section are severable."

21 SECTION 7. Section 454F-4, Hawaii Revised Statutes, is
22 amended as follows:



1 1. By amending subsection (b) to read:

2 "(b) To fulfill the purposes of this chapter, the
3 commissioner [~~shall establish relationships~~] may enter into
4 agreements or contracts with [~~the Nationwide Mortgage Licensing~~
5 ~~System~~] NMLS or other entities [~~designated by the Nationwide~~
6 ~~Mortgage Licensing System~~] to use NMLS to collect and maintain
7 records and process transaction fees or other fees related to
8 licensees or other persons subject to this chapter."

9 2. By amending subsection (d) to read:

10 "(d) In connection with an application for a license under
11 this chapter, the applicant, at a minimum, shall furnish to [~~the~~
12 ~~Nationwide Mortgage Licensing System~~] NMLS information
13 concerning the applicant's identity, including:

14 (1) Fingerprints of the applicant [~~and,~~] or, if an
15 applicant is not an individual, each of the
16 applicant's control persons, executive officers,
17 directors, general partners, and managing members for
18 submission to the Federal Bureau of Investigation and
19 any governmental agency or entity authorized to
20 receive the fingerprints for a state, national, and
21 international criminal history background check; and



1 (2) Personal history and experience of the applicant
2 [~~and,~~] or, if an applicant is not an individual, each
3 of the applicant's control persons, executive
4 officers, directors, general partners, and managing
5 members in a form prescribed by [~~the Nationwide~~
6 ~~Mortgage Licensing System~~] NMLS including the
7 submission of authorization for [~~the Nationwide~~
8 ~~Mortgage Licensing System~~] NMLS and the commissioner
9 to obtain:
10 (A) An independent credit report obtained from a
11 consumer reporting agency described in section
12 603(p) of the Fair Credit Reporting Act, title 15
13 United States Code section 1681 et seq.; and
14 (B) Information related to any administrative, civil,
15 or criminal findings by any governmental
16 jurisdiction;
17 provided that the commissioner may use any information obtained
18 pursuant to this subsection or through [~~the Nationwide Mortgage~~
19 ~~Licensing System~~] NMLS to determine an applicant's demonstrated
20 financial responsibility, character, and general fitness for
21 licensure."



1 SECTION 8. Section 454F-6, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) An applicant for licensure as a mortgage loan
4 originator shall complete at least twenty hours of pre-licensing
5 education approved in accordance with subsection (b) that
6 includes:

7 (1) Three hours of federal law and regulations[+] and
8 three hours of state law and rules;

9 (2) Three hours of ethics, that shall include instruction
10 on fraud, consumer protection, and fair lending
11 issues; and

12 (3) Two hours of training related to lending standards for
13 the nontraditional mortgage product marketplace.

14 Upon completion of the pre-licensing education, an individual
15 has up to twelve months to submit an application for licensure
16 as a mortgage loan originator. An individual who submits an
17 application after the twelve months have expired will be
18 required to repeat the pre-licensing education requirements."

19 SECTION 9. Section 454F-7, Hawaii Revised Statutes, is
20 amended as follows:

21 1. By amending subsection (a) to read:



1 "(a) To meet the [~~passing of the~~] written test requirement
2 in section 454F-5, an applicant for licensure as a mortgage loan
3 originator shall pass, in accordance with the standards
4 established under this section, a qualified written test
5 developed by [~~the Nationwide Mortgage Licensing System~~] NMLS and
6 administered by a test provider approved by [~~the Nationwide~~
7 ~~Mortgage Licensing System~~] NMLS based upon reasonable
8 standards."

9 2. By amending subsections (c) and (d) to read:

10 "(c) Nothing in this section shall prohibit a test
11 provider approved by [~~the Nationwide Mortgage Licensing System~~]
12 NMLS from providing a test at the location of the employer of
13 the applicant, the location of any subsidiary or affiliate of
14 the employer of the applicant, or the location of any entity
15 with which the applicant holds an exclusive arrangement to
16 conduct the business of a mortgage loan originator.

17 (d) An individual shall have passed a qualified written
18 test if the individual achieves a test score of seventy-five per
19 cent of the correct answers to questions or better. An
20 individual may [~~retake~~] take a test three [~~consecutive~~] times
21 with each [~~consecutive taking~~] retest occurring at least thirty
22 days after the preceding test. After failing three consecutive



1 tests, an individual shall wait at least six months before
2 taking the test again. A licensed mortgage loan originator who
3 fails to maintain a valid license for a period of five years or
4 longer not taking into account any time during which the
5 individual is an exempt registered mortgage loan originator,
6 shall retake the test."

7 SECTION 10. Section 454F-8, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§454F-8 Standards for license renewal.** (a) The minimum
10 standards for license renewal for mortgage loan originators
11 shall include the following:

- 12 (1) The mortgage loan originator continues to meet the
13 minimum standards for licensure under section 454F-5;
14 (2) The mortgage loan originator has satisfied the annual
15 continuing education requirements in section 454F-9[+] prior to requesting renewal; and
16
17 (3) The mortgage loan originator has paid all required
18 fees for renewal of the license.

19 (b) The minimum standards for license renewal for mortgage
20 loan originator companies shall include the following:



1 (1) The mortgage loan originator company continues to meet
2 the minimum standards for licensure established
3 pursuant to section 454F-5;

4 (2) The mortgage loan originator company's qualified
5 individual and every branch manager have satisfied the
6 minimum standards for license renewal; and

7 (3) The mortgage loan originator company has paid all
8 required fees for renewal of the license.

9 (c) The minimum standards for license renewal for a
10 mortgage servicer company shall include the following:

11 (1) The mortgage servicer company continues to meet the
12 minimum standards for licensure established pursuant
13 to section 454F-5; and

14 (2) The mortgage servicer company has paid all required
15 fees for renewal of the license.

16 [~~e~~] (d) The license of a mortgage loan originator [~~e~~],
17 mortgage loan originator company, or mortgage servicer company
18 that fails to satisfy the minimum standards for license renewal
19 shall expire. The commissioner may adopt procedures for the
20 reinstatement of expired licenses consistent with section 454F-
21 8.5 and the standards established by [~~the Nationwide Mortgage~~
22 Licensing System.] NMLS."



1 SECTION 11. Section 454F-9, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Each year, a licensed mortgage loan originator shall
4 complete at least eight hours of education approved in
5 accordance with subsection (b) that shall include [~~at least~~]:

6 (1) Three hours of federal law and regulations;

7 (2) One hour of state law and rules;

8 [~~(2)~~] (3) Two hours of ethics that shall include
9 instruction on fraud, consumer protection, and fair
10 lending issues; and

11 [~~(3)~~] (4) Two hours of training related to lending
12 standards for the nontraditional mortgage product
13 marketplace."

14 SECTION 12. Section 454F-10, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "**§454F-10 Authority to require license.** In addition to
17 any other duties imposed upon the commissioner, the commissioner
18 shall require mortgage loan originators [~~and~~], mortgage loan
19 originator companies, and mortgage servicer companies to be
20 licensed and registered through [~~the Nationwide Mortgage~~
21 ~~Licensing System.~~] NMLS. The commissioner is authorized to
22 participate in [~~the Nationwide Mortgage Licensing System.~~] NMLS.



1 The commissioner may establish by rule pursuant to chapter 91,
2 requirements for mortgage loan originators [~~and~~], mortgage loan
3 originator companies, and mortgage servicer companies,
4 including:

5 (1) Background checks of:

6 (A) Criminal history through fingerprint or other
7 databases;

8 (B) Civil or administrative records;

9 (C) Credit history; and

10 (D) Any other source deemed necessary by [~~the~~
11 ~~Nationwide Mortgage Licensing System;~~] NMLS;

12 (2) Fees to apply for or renew licenses through [~~the~~
13 ~~Nationwide Mortgage Licensing System;~~] NMLS;

14 (3) The setting or resetting as necessary of license
15 renewal and reporting dates;

16 (4) Requirements for amending or surrendering a license;
17 and

18 (5) Any other activity the commissioner deems necessary to
19 participate in [~~the Nationwide Mortgage Licensing~~
20 ~~System.~~] NMLS."

21 SECTION 13. Section 454F-10.5, Hawaii Revised Statutes, is
22 amended to read as follows:



1 "§454F-10.5 Authorized places of business; designation of
2 qualified individuals and branch managers; branch offices; out-
3 of-state headquarters; relocation. (a) Every mortgage loan
4 originator company licensed under this chapter shall have and
5 maintain a principal place of business in the State and shall
6 designate a qualified individual who is licensed as a mortgage
7 loan originator pursuant to this chapter to oversee mortgage
8 loan originators employed or contracted by the company. If the
9 qualified individual is physically located at a branch office,
10 the qualified individual may also be designated as the branch
11 manager.

12 (b) A mortgage loan originator company shall not maintain
13 any branch offices in the State in addition to its principal
14 place of business without the prior written approval of the
15 commissioner. An application to establish a branch office shall
16 be submitted through NMLS with a nonrefundable application fee
17 as required by section 454F-22. A mortgage loan originator
18 company [~~that establishes one or more branch offices pursuant to~~
19 ~~this subsection~~] shall designate a branch manager for each
20 branch office [~~located at~~] who is physically present in the
21 branch office to oversee that branch office. Every branch



1 manager shall be licensed as a mortgage loan originator pursuant
2 to this chapter.

3 (c) A mortgage loan originator company shall not relocate
4 any office in this State without the prior written approval of
5 the commissioner. An application to relocate an office shall be
6 submitted to the commissioner at least thirty days prior to
7 relocating and shall set forth the reasons for the relocation,
8 the street address of the proposed relocated office, and other
9 information that may be required by the commissioner. An
10 application to relocate an office pursuant to this subsection
11 shall be submitted with a nonrefundable fee as required by
12 section 454F-22.

13 (d) A mortgage loan originator company shall give the
14 commissioner notice of its intent to close a branch office at
15 least thirty days prior to the closing. The notice shall:

- 16 (1) State the intended date of closing; and
17 (2) Specify the reasons for the closing.

18 (e) A mortgage loan originator company that maintains its
19 headquarters outside of the State shall:

- 20 (1) Designate an office in this State as its principal
21 place of business in this State;



1 (2) Apply for and obtain approval from the commissioner to
2 designate its principal place of business in this
3 State as a branch office pursuant to this section; and

4 (3) Designate a qualified individual who shall hold a
5 license as a mortgage loan originator pursuant to this
6 chapter; provided that the qualified individual may be
7 the same person designated as the branch manager.

8 (f) A mortgage loan originator company that maintains its
9 headquarters in this State shall designate a qualified
10 individual who is physically present in the principal place of
11 business office as its branch manager to oversee and manage that
12 principal place of business office."

13 SECTION 14. Section 454F-11, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "~~§454F-11 [Nationwide Mortgage Licensing System,]~~ NMLS
16 **registry information; challenge process.** The commissioner shall
17 establish a process by rule pursuant to chapter 91 whereby a
18 licensee may challenge information entered into [~~the Nationwide~~
19 ~~Mortgage Licensing System]~~ NMLS by the commissioner."

20 SECTION 15. Section 454F-15, Hawaii Revised Statutes, is
21 amended by amending subsection (i) to read as follows:



1 "(i) The commissioner may charge an examination or
2 investigation fee, payable to the division, based upon the cost
3 per hour per examiner for all licensees and persons subject to
4 this chapter examined or investigated by the commissioner or the
5 commissioner's staff. The hourly fee shall be [~~\$40~~] \$60 or an
6 amount as the commissioner shall establish by rule pursuant to
7 chapter 91. In addition to the examination or investigation
8 fee, the commissioner may charge any person that is examined or
9 investigated by the commissioner or the commissioner's staff
10 pursuant to this section additional amounts for travel, per
11 diem, mileage, and other reasonable expenses incurred in
12 connection with the examination or investigation, payable to the
13 division."

14 SECTION 16. Section 454F-16, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "**§454F-16 Mortgage call reports.** Each licensee, as may be
17 required by title 12 United States Code sections 5101 to 5116,
18 shall submit quarterly to [~~the Nationwide Mortgage Licensing~~
19 ~~System~~] NMLS reports of condition, using the form entitled
20 "REPORT OF CONDITION", which shall be in the form and contain
21 the information as [~~the Nationwide Mortgage Licensing System~~]
22 NMLS may require."



1 SECTION 17. Section 454F-20, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~[+]§454F-20[+]~~ **Report to [~~Nationwide Mortgage Licensing~~**
4 **~~System.] NMLS.~~ Notwithstanding any other law to the contrary,**
5 the commissioner is required to regularly report violations of
6 this chapter, as well as enforcement actions and other relevant
7 information, to [~~the Nationwide Mortgage Licensing System]~~ NMLS
8 subject to the confidentiality provisions contained in section
9 454F-14."

10 SECTION 18. Section 454F-22, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "**§454F-22 Mortgage loan originator, mortgage loan**
13 **originator company, [~~and~~] exempt sponsoring mortgage loan**
14 **originator company, nonprofit organizations, and mortgage**
15 **servicer company fees.** (a) [~~A~~] Except as provided in
16 subsection (b), a mortgage loan originator shall pay the
17 following fees to obtain and maintain a valid mortgage loan
18 originator license:

- 19 (1) Initial application fee of [~~\$500+~~] \$600;
20 (2) Annual license renewal fee of [~~\$300+~~] \$350;
21 (3) Reinstatement fee of \$100;
22 (4) Late fee of \$25 per day; and



1 (5) Criminal background check fee of \$35, or of an amount
2 determined by the commissioner by rule pursuant to
3 chapter 91.

4 (b) A sole proprietor mortgage loan originator shall pay
5 the following fees to obtain and maintain a valid sole
6 proprietor mortgage loan originator license:

7 (1) Initial application fee of \$35;

8 (2) Annual license renewal fee of \$35;

9 (3) Reinstatement fee of \$100;

10 (4) Late fee of \$25 per day; and

11 (5) Criminal background check fee of \$35, or of an amount
12 determined by the commissioner by rule pursuant to
13 chapter 91.

14 [~~b~~] (c) A mortgage loan originator company shall pay the
15 following fees to maintain a valid mortgage loan originator
16 company license or branch license:

17 (1) Fees payable for a principal office of a mortgage loan
18 originator company:

19 (A) Initial application fee of \$900;

20 (B) Processing fee of \$35 for each control person;

21 provided that this fee requirement shall not

22 apply to a person who is a control person as of



1 July 1, 2013, unless that person becomes a
2 control person of another mortgage loan
3 originator company;

4 [~~(B)~~] (C) Annual license renewal fee of \$600;

5 [~~(C)~~] (D) Reinstatement fee of \$100;

6 [~~(D)~~] (E) Late fee of \$25 per day; and

7 [~~(E)~~] (F) Criminal background check fee of \$35, or of
8 an amount determined by the commissioner by rule
9 pursuant to chapter 91, for each control person,
10 executive officer, director, general partner, and
11 manager; and

12 (2) Fees payable for each branch office of a mortgage loan
13 originator company:

14 (A) Initial application fee of \$250;

15 (B) Annual license renewal fee of \$100;

16 (C) Reinstatement fee of \$100; and

17 (D) Late fee of \$25 per day.

18 [~~(e)~~] (d) An exempt sponsoring mortgage loan originator
19 company shall pay the following fees to maintain a valid
20 registration in [~~the Nationwide Mortgage Licensing System and~~
21 Registry+] NMLS:

22 (1) Initial registration fee of \$200;



1 (2) Annual registration renewal fee of \$150; and

2 (3) Late fee of \$25 per day.

3 [~~(d)~~] (e) A nonprofit organization shall pay the following

4 fees to maintain a valid registration as a nonprofit

5 organization in [~~the Nationwide Mortgage Licensing System and~~

6 ~~Registry~~] NMLS:

7 (1) Initial registration fee of \$200;

8 (2) Annual registration renewal fee of \$150; and

9 (3) Late fee of \$25 per day.

10 (f) A mortgage servicer company shall pay for a principal

11 office the following fees to maintain a valid mortgage loan

12 originator company license:

13 (1) Annual license renewal fee of \$600;

14 (2) Reinstatement fee of \$100;

15 (3) Late fee of \$25 per day; and

16 (4) Criminal background check fee of \$35, or of an amount

17 determined by the commissioner by rule pursuant to

18 chapter 91, for each control person, executive

19 officer, director, general partner, and managing

20 member.

21 [~~(e)~~] (g) In addition to fees charged by [~~the Nationwide~~

22 ~~Mortgage Licensing System,~~] NMLS, a licensee shall pay to the



1 commissioner a fee of [~~\$50~~] \$100 for each of the following
2 amendments to information provided to [~~the Nationwide Mortgage~~
3 ~~Licensing System~~] NMLS that require the review of the
4 commissioner:

- 5 (1) Change of physical location or mailing address for
6 branch office or principal place of business;
- 7 (2) Addition or deletion of a "d/b/a" assignment;
- 8 (3) Change of mortgage loan originator's sponsor;
- 9 (4) Change of qualified individual;
- 10 (5) Change of branch manager; and
- 11 (6) Change of mortgage loan originator company's legal
12 name.

13 The commissioner, upon a showing of good cause, may waive any
14 fee set forth in this subsection.

15 [~~(f)~~] (h) The fees established by this section are
16 nonrefundable and are in addition to any fees established and
17 charged by [~~the Nationwide Mortgage Licensing System,~~] NMLS, an
18 approved educational course provider, an approved educational
19 testing provider, a law enforcement agency for fingerprints and
20 background checks, or a credit reporting agency used by [~~the~~
21 ~~Nationwide Mortgage Licensing System.~~] NMLS.



1 [~~g~~] (i) The commissioner may establish, by rule pursuant
2 to chapter 91, any other fees or charges necessary for the
3 administration of this chapter."

4 SECTION 19. Section 454F-41, Hawaii Revised Statutes, is
5 amended by amending subsections (b) and (c) to read as follows:

6 "(b) In addition to application fees and any fees required
7 by [~~the Nationwide Mortgage Licensing System,~~] NMLS, a licensee
8 shall pay to the division a mortgage loan recovery fund fee as
9 follows for deposit in the mortgage loan recovery fund:

10 (1) The sum of \$300 for each principal office location of
11 a mortgage loan originator company~~+~~ or mortgage
12 servicer company;

13 (2) The sum of \$250 for each branch office location of a
14 mortgage loan originator company; and

15 (3) The sum of \$200 for each mortgage loan originator.

16 (c) Upon application for renewal of a license under this
17 chapter, a licensee shall pay, in addition to the licensee's
18 license renewal fee and fees required by [~~the Nationwide~~
19 ~~Mortgage Licensing System,~~] NMLS, a mortgage loan recovery fund
20 fee as follows for deposit in the mortgage loan recovery fund:



1 (1) The sum of \$200 for each principal office location of
2 a mortgage loan originator company[+] or a mortgage
3 servicer company;

4 (2) The sum of \$100 for each branch office location of a
5 mortgage loan originator company; and

6 (3) The sum of \$100 for each mortgage loan originator.
7 Mortgage loan recovery fees collected pursuant to this
8 subsection shall be refundable upon the denial of a license
9 renewal by the commissioner."

10 SECTION 20. Sections 412:9-501(b); 454F-2.5; 454F-4(a)
11 through (f); 454F-4.9(a); 454F-6(b) through (e); 454F-9(b), (c),
12 (d), and (g); 454F-14(a), (c), and (f); 454F-17; and 454F-23,
13 Hawaii Revised Statutes, are amended by substituting the word
14 "NMLS" wherever the words "the Nationwide Mortgage Licensing
15 System", or similar term, appears, as the context requires.

16 SECTION 21. The commissioner of financial institutions
17 shall prepare a report detailing the implementation of Act 32,
18 Special Session Laws of Hawaii 2009. The report shall include:

19 (1) Changes in federal law and regulations that affect the
20 implementation of Act 32, Special Session Laws of
21 Hawaii 2009;



- 1 (2) Expenditures for the implementation of Act 32, Special
2 Session Laws of Hawaii 2009;
- 3 (3) A complete accounting of the mortgage loan recovery
4 fund, including the fees collected and deposited since
5 2009, expenditures of the mortgage loan recovery fund,
6 and the current balance in the mortgage loan recovery
7 fund;
- 8 (4) Staffing changes since 2009;
- 9 (5) Cost savings as a result of the transfer of duties to
10 NMLS;
- 11 (6) The number of mortgage loan originators and mortgage
12 loan originator companies that completed initial
13 licensure and that renewed licenses each year since
14 2009; and
- 15 (7) Plans to reduce or control costs moving forward.

16 The commissioner of financial institutions shall submit the
17 report to the legislature no later than thirty days prior to the
18 convening of the regular session of 2014.

19 SECTION 22. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 23. This Act shall take effect on July 1, 2112.



Report Title:

Mortgage Servicers; Registration; Fees; NMLS

Description:

Raises application and renewal fees for individuals and companies that conduct mortgage loan origination activities. Updates licensure and regulatory requirements. Effective July 1, 2112. (SB1069 HD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

