

STAND. COM. REP. NO.

1642

Honolulu, Hawaii

April 10, 2015

RE: S.B. No. 1093
S.D. 2
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 Finance, to which was referred S.B. No. 1093, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to amend the mortgage servicers law to enhance consumer protections by establishing or strengthening regulatory requirements to, among other things:

- (1) Require mortgage servicers to pursue loss mitigation options, including loan modifications, to avoid consumer foreclosure;
- (2) Prohibit the transfer or assignment of licenses;
- (3) Make mortgage servicers responsible for accurate and timely reporting of license information and actions that may affect eligibility for licensure;
- (4) Establish requirements for surety bonds;
- (5) Establish a duty of good faith and fair dealing in communications, transactions, and dealings with borrowers;

SB1093 HD1 HSCR FIN HMS 2015-3152



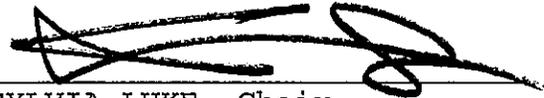
- (6) Clarify that regulatory requirements apply universally to all mortgage servicer licensees; and
- (7) Specify prohibited activities.

The Department of Commerce and Consumer Affairs supported this measure. Hawaii Bankers Association submitted comments.

Your Committee has amended this measure by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1093, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1093, S.D. 2, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



