

STAND. COM. REP. NO. 1177

Honolulu, Hawaii

March 17, 2017

RE: S.B. No. 951
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Intrastate Commerce, to which was referred
S.B. No. 951, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO MORTGAGE LOAN ORIGINATION,"

begs leave to report as follows:

The purpose of this measure is to promote consumer protection
with respect to Hawaii's mortgage loan origination industry.

Among other things, this measure:

- (1) Clarifies which persons are presumed to control a mortgage loan originator company;
- (2) Clarifies procedures for change of control of a licensee;
- (3) Clarifies which persons must disclose their relevant criminal history and criminal history background checks upon application for licensure and change of control of the licensee;
- (4) Clarifies criminal background check fee requirements;

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- (5) Clarifies the conditions under which an employee performing mortgage loan origination activities for a nonprofit is exempt from registration and licensure as a mortgage loan originator;
- (6) Adds protections for consumers in their mortgage loan origination transactions;
- (7) Requires exempt sponsoring mortgage loan origination companies to have a principal place of business in the State and fulfill other requirements imposed upon other mortgage loan origination companies; and
- (8) Requires a nonprofit organization to directly manage and supervise any of the organization's mortgage loan origination activities.

The Department of Commerce and Consumer Affairs supported this measure.

Your Committee has amended this measure by changing its effective date to July 1, 2090, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Intrastate Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 951, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 951, S.D. 2, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Intrastate
Commerce,



TAKASHI OHNO, Chair



