

STAND. COM. REP. NO.

1319

Honolulu, Hawaii

March 24, 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 Consumer Protection & Commerce, to which was referred S.B. No. 951, S.D. 2, H.D. 1, 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 and efficient regulation of Hawaii's mortgage loan origination industry.

Specifically, this measure:

- (1) Clarifies which personnel of a mortgage loan originator company (MLOC) are presumed to control the company and are, therefore, subject to regulation and supervision, including background checks, by the Commissioner of Financial Institutions;
- (2) Requires exempt sponsoring MLOCs to designate a qualified individual and non-profit organizations to designate an employee to fulfill supervisory and compliance responsibilities required under the State's Secure and Fair Enforcement for Mortgage Licensing Act;



- (3) Requires exempt sponsoring MLOCs to maintain a principal place of business in the State;
- (4) Clarifies requirements for approval of a licensee's application requesting a change of control; and
- (5) Makes additional updates and housekeeping amendments to Hawaii's Safe and Fair Enforcement for Mortgage Licensing Act in conformity with federal law.

The Department of Commerce and Consumer Affairs testified in support of this measure.

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. 951, S.D. 2, H.D. 1, and recommends that it be referred to your Committee on Finance.

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



ROY M. TAKUMI, Chair



