

Honolulu, Hawaii

April 6

, 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 Finance, 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 clarify, increase the efficacy, improve compliance, and enhance regulatory oversight and enforcement of Hawaii's mortgage loan origination industry by:

- (1) Clarifying which personnel of a mortgage loan origination company (MLOC) are presumed to control the MLOC and therefore, are subject to regulation and supervision, including background checks, by the Commissioner of Financial Institutions (Commissioner);
- (2) Requiring exempt sponsoring MLOCs to designate a qualified individual to fulfill the duties and responsibilities set forth under the State's Secure and Fair Enforcement for Mortgage Licensing Act (Licensing Act);
- (3) Requiring a nonprofit organization to designate an employee to directly manage and supervise the mortgage loan origination activity of the organization;



- (4) Requiring exempt sponsoring MLOCs to have and maintain a principal place of business in Hawaii;
- (5) Clarifying the requirements for approval by the Commissioner of a request for change of control of a licensee; and
- (6) Making additional updates and housekeeping amendments to the Licensing Act in conformity with federal law.

The Department of Commerce and Consumer Affairs supported this measure.

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. 951, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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



SYLVIA LUKE, Chair



**Record of Votes of the Committee on Finance**

Bill/Resolution No.: <b>SB951, SD2, HD 1</b>	Committee Referral: <b>IAC, CPC, FIN</b>	Date: <b>3-31-2017</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)	✓			
2. CULLEN, Ty J.K. (VC)	✓			
3. CACHOLA, Romy M.	✓			
4. CHOY, Isaac W.	✓			
5. DeCOITE, Lynn	✓			
6. GATES, Cedric Asuega	✓			
7. HOLT, Daniel	✓			
8. KEOHOKALOLE, Jarrett	✓			
9. KOBAYASHI, Bertrand	✓			
10. LoPRESTI, Matthew S.	✓			
11. LOWEN, Nicole E.	✓			
12. NAKAMURA, Nadine K.	✓			
13. TOKIOKA, James Kunane	✓			
14. QUINLAN, Sean	✓			
15. YAMASHITA, Kyle T.	✓			
16. TUPOLA, Andria P.L.				✓
17. WARD, Gene	✓			
<b>TOTAL (17)</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>1</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>[Signature]</i>				
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