

Honolulu, Hawaii

FEB 15 2017

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

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 951 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to update the
State's mortgage loan origination law by clarifying:

- (1) Persons who are presumed to control a mortgage loan
originator company;
- (2) Procedures for change in control of a licensee;
- (3) Persons who must disclose their relevant criminal
history and criminal history background checks upon
application for licensure and change in control of the
licensee;
- (4) Criminal background check fee requirements; and
- (5) Conditions under which an employee performing mortgage
loan origination activities for a nonprofit is exempt
from registration and licensure as a mortgage loan
originator.

Your Committee received testimony in support of this measure
from the Division of Financial Institutions of the Department of
Commerce and Consumer Affairs.

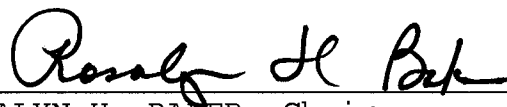


Your Committee finds that mortgage loan originator companies, exempt sponsoring mortgage loan originator companies, nonprofit organizations, and other similar entities originate billions of dollars of residential mortgage loans annually. Among other things, this measure helps to identify persons who are presumed to control a mortgage loan originator company, clarifies procedures for change in control of a licensee, and adds requirements to protect consumers in their mortgage loan origination transactions with exempt sponsoring mortgage loan originator companies. This measure ensures the State can provide appropriate supervision of the mortgage loan origination industry, as required by federal law, and will make the State's mortgage loan origination law clearer and more effective, improve compliance within the industry, enhance the Division of Financial Institutions' regulatory oversight and enforcement of the mortgage loan origination industry, and elevate consumer protection.

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

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

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



ROSALYN H. BAKER, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:* SB951	Committee Referral: CPH, WAM	Date: 2/7/17		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Recommit 2312 2311 2310 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
NISHIHARA, Clarence K. (VC)	/			
CHANG, Stanley	/			
ESPERO, Will	/			
IHARA, Jr., Les				/
KIDANI, Michelle N.				/
RUDERMAN, Russell E.	/			
TOTAL	5			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes