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## A BILL FOR AN ACT

RELATING TO MORTGAGE SERVICERS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

- 1           SECTION 1. Section 454M-3, Hawaii Revised Statutes, is  
2 amended to read as follows:
- 3           "§454M-3 Exemptions. This chapter shall not apply to the  
4 following:
- 5           (1) Any persons chartered or authorized under the laws of  
6 any state or federal law to engage in the activity of  
7 an insured depository institution as defined in title  
8 12 United States Code section 1813(c)(2), including  
9 banks or savings associations, and operating  
10 subsidiaries of an insured depository institution;
- 11           (2) Trust companies, credit unions, insurance companies,  
12 and financial service loan companies licensed by the  
13 State;
- 14           (3) The Federal Deposit Insurance Corporation, in  
15 connection with assets acquired, assigned, sold, or  
16 transferred pursuant to section 13(c) of the Federal



1           Deposit Insurance Act or as receiver or conservator of  
2           an insured depository institution;  
3       (4)   The Federal National Mortgage Association; the Federal  
4           Home Loan Mortgage Corporation; the Federal Deposit  
5           Insurance Corporation; the United States Department of  
6           Housing and Urban Development, and the Government  
7           National Mortgage Association and the Federal Housing  
8           Administration, and cases in which a mortgage insured  
9           under the National Housing Act, 12 United States Code  
10          section 1701 et seq., is assigned to the United States  
11          Department of Housing and Urban Development; the  
12          National Credit Union Administration; the Farmers Home  
13          Administration or its successor agency under Public  
14          Law 103-354; and the Department of Veterans Affairs,  
15          in any case in which the assignment, sale, or transfer  
16          of the servicing of the mortgage loan is preceded by  
17          termination of the contract for servicing the loan for  
18          cause, commencement of proceedings for bankruptcy of  
19          the servicer, or commencement of proceedings by the  
20          Federal Deposit Insurance Corporation for



1 conservatorship or receivership of the servicer or an  
2 entity by which the servicer is owned or controlled;

3 (5) Any person making or acquiring contemporaneously no  
4 more than five residential mortgage loans with that  
5 person's own funds for that person's own investment;  
6 [and]

7 (6) A developer of a time share plan, or an affiliated  
8 entity of a developer of a time share plan, servicing  
9 a loan that is:

10 (A) Made by the developer or the developer's  
11 affiliated entity; and

12 (B) Secured by a lien on a time share interest[-];  
13 and

14 (7) A nonprofit organization that is registered with NMLS  
15 pursuant to section 454F-25 and the organization's  
16 employees who are exempt from registration and  
17 licensure as a mortgage loan originator pursuant to  
18 section 454F-25."

19 SECTION 2. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.



1 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:

Tom Prou

Cam

Mark Hall

Colin King

Nadine K. Parker

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Blaine

[Signature]

[Signature]

Sen Vink

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# H.B. NO. 1241

**Report Title:**

Mortgage Loan Servicers; Nonprofit Organizations; Exemption

**Description:**

Exempts nonprofit organizations and their employees who are already exempt from licensure and registration as mortgage loan originators from regulation as mortgage loan servicers.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

