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## A BILL FOR AN ACT

RELATING TO MORTGAGE BROKERS AND SOLICITORS.

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

1           SECTION 1. Section 454-2, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§454-2 Exemptions.** This chapter does not apply to the  
4 following:

- 5           (1) Banks, bank holding companies, trust companies,  
6 building and loan associations, pension trusts, credit  
7 unions, insurance companies, financial services loan  
8 companies, or federally licensed small business  
9 investment companies, authorized under any law of this  
10 State or of the United States to do business in the  
11 State; all of their operating subsidiaries and  
12 subsidiaries that a bank or credit union has been  
13 granted federal approval to invest in, own or operate,  
14 and any exclusive agent of a bank, a savings  
15 association, or a credit union;
- 16           (2) A person making or acquiring a mortgage loan with  
17 one's own funds for one's own investment without  
18 intent to resell the mortgage loan;



- 1           (3) A person licensed to practice law in the State, not  
2           actively and principally engaged in the business of  
3           negotiating loans secured by real property, when the  
4           person renders services in the course of the person's  
5           practice as an attorney;
- 6           (4) A person licensed as a real estate broker or  
7           salesperson in the State, not actively engaged in the  
8           business of negotiating loans secured by real  
9           property, when the person renders services in the  
10          course of the person's practice as a real estate  
11          broker or salesperson;
- 12          (5) An institutional investor negotiating, entering into,  
13          or performing under a loan purchase agreement for its  
14          portfolio, for subsequent resale to other  
15          institutional investors, or for placement of the  
16          mortgages into pools or packaging them into mortgage-  
17          backed securities. As used in this paragraph, "loan  
18          purchase agreement" means an agreement or arrangement  
19          under which a bank, savings and loan, credit union,  
20          financial services loan company, or other financial  
21          institution registered to do business in the State of  
22          Hawaii agrees to sell mortgage loans or obtain funding





**Report Title:**

Mortgage Brokers and Solicitors

**Description:**

Exempts bank holding companies from mortgage broker and solicitor requirements.

