

JAN 19 2007

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; as well as the operating subsidiaries of a bank
12 or credit union, the subsidiaries that a bank or
13 credit union has been granted approval by the federal
14 government to invest in, own, or operate, and any
15 exclusive agent of a bank, a savings association, or a
16 credit union;



- 1 (2) A person making or acquiring a mortgage loan with
2 one's own funds for one's own investment without
3 intent to resell the mortgage loan;
- 4 (3) A person licensed to practice law in the State, not
5 actively and principally engaged in the business of
6 negotiating loans secured by real property, when the
7 person renders services in the course of the person's
8 practice as an attorney;
- 9 (4) A person licensed as a real estate broker or
10 salesperson in the State, not actively engaged in the
11 business of negotiating loans secured by real
12 property, when the person renders services in the
13 course of the person's practice as a real estate
14 broker or salesperson;
- 15 (5) An institutional investor negotiating, entering into,
16 or performing under a loan purchase agreement for its
17 portfolio, for subsequent resale to other
18 institutional investors, or for placement of the
19 mortgages into pools or packaging them into mortgage-
20 backed securities. As used in this paragraph, "loan
21 purchase agreement" means an agreement or arrangement
22 under which a bank, savings and loan, credit union,



1 financial services loan company, or other financial
2 institution registered to do business in the State of
3 Hawaii agrees to sell mortgage loans or obtain funding
4 therefor, with or without the transfer of servicing
5 rights, to an institutional investor;

6 (6) Foreign lender as defined in section 207-11; and

7 (7) A person licensed under chapter 467 as a real estate
8 broker or salesperson selling time share interests on
9 behalf of a time share plan developer that is licensed
10 as a mortgage broker under this chapter; provided
11 that:

12 (A) The acts or conduct of a developer's authorized
13 representative shall be deemed to be the acts or
14 conduct of the developer for the purposes of
15 section 454-4; and

16 (B) If the person engages in acts or conduct
17 prohibited under section 454-4(a), the acts or
18 conduct shall constitute grounds for disciplinary
19 action under section 467-14."

20 SECTION 2. New statutory material is underscored.



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

2

INTRODUCED BY:

R. D. J.



Report Title:

Mortgage Brokers and Solicitors

Description:

Exempts bank holding companies and related entities from mortgage broker and solicitor licensing requirements.

