STAND. COM. REP. NO. 1210

Honolulu, Hawaii March 24, 2011

RE: S.B. No. 1519 S.D. 3 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Judiciary, to which was referred S.B. No. 1519, S.D. 3, entitled:

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

beg leave to report as follows:

The purpose of this bill is to update the Secure and Fair Enforcement for Mortgage Licensing Act with regard to mortgage loan originators.

The Mortgage Bankers Association of Hawaii testified in support of this bill. The Hawaii Financial Services Association opposed this measure. The Department of Commerce and Consumer Affairs, Office of Information Practices, Hawaii Association of Mortgage Brokers, and a concerned individual provided comments.

Your Committees have amended this bill by, among other things:

- (1) Removing provisions relating to tangible net benefits;
- (2) Deleting sections and paragraphs providing for state regulations that will be regulated by the Federal Reserve Board beginning April 1, 2011;
- (3) Removing confidentiality provisions, as the Office of Information Protection states that licensees'



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confidential information will be protected by existing state law;

- (4) Requiring that advertisements for terms of residential mortgage loans must also include the loan amount, the annual percentage rate, and monthly payment unless the licensee is able to make the advertised loan and terms available to well-qualified applicants;
- (5) Making amendments to correct certain provisions;
- (6) Changing its effective date to "upon approval"; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1519, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1519, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

> Respectfully submitted on behalf of the members of the Committees on Consumer Protection & Commerce and Judiciary,

Chair GILBERT KEITH

ROBERT N. HERKES, Chair



State of Hawaii House of Representatives The Twenty-sixth Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 1519 5D 3	mmittee Referral: CPC/JUD	CPC/JUD, FIN Date: 3/16/2011					
The committee is reconsidering its previous decision on the measure.							
The recommendation is to: Image: Pass, unamended (as is) Image: Pass, with amendments (HD) Image: Hold Image: Pass short form bill with HD to recommit for future public hearing (recommit)							
CPC Members	Ayes	Ayes (W	R) Nays	Excused			
1. HERKES, Robert N. (C)							
2. YAMANE, Ryan I. (VC)							
3. BROWER, Tom							
4. CABANILLA, Rida T.R.							
5. CARROLL, Mele							
6. ITO, Ken		<u></u>					
7. KEITH-AGARAN, Gilbert S.C.							
8. LUKE, Sylvia							
9. McKELVEY, Angus L.K.							
-10. MORITA, Hermina M	······································						
11. OSHIRO, Blake K.							
12. SOUKI, Joseph M.							
13. TSUJI, Clift	(
14. CHING, Corinne W.L.							
15. MARUMOTO, Barbara C.							
16. THIELEN, Cynthia							
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TOTAL (167 (15)	. 12	+		3			
The recommendation is: Adopted Not Adopted If joint referral,							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO							

State of Hawaii House of Representatives The Twenty-sixth Legislature



Record of Votes of the Committee on Judiciary

Bill/Resolution No.: SB1519, SD3 Committee Referral: CPC/WD, FIN Date: 3/26/11						
The committee is reconsidering its previous decision on the measure.						
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) 						
JUD Members	Ayes	Ayes (WR)	Nays	Excused		
1. KEITH-AGARAN, Gilbert S.C. (C)	~					
2. RHOADS, Karl (VC)	~					
3. BROWER, Tom	V					
4. CABANILLA, Rida T.R.	<i>\</i>					
5. CARROLL, Mele						
6. HERKES, Robert N.	~					
7. ITO, Ken	1 1 1 1 1			-		
8. LUKE, Sylvia	~					
9. McKELVEY, Angus L.K.	/					
-10. MORITA, Hermina M.						
11. OSHIRO, Blake K.						
12. SOUKI, Joseph M.	-	-				
13. TSUJI, Clift	<u> </u>					
14. FONTAINE, George R.						
15. MARUMOTO, Barbara C.		-				
16. THIELEN, Cynthia						
TOTAL (16) 15	12	0	0	3		
The recommendation is: Adopted If joint referral, did not support recommendation.						
Vice Chair's or designee's signature: Kal Mosh						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						