

HB1096 HD2

Measure Title:	RELATING TO THE SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT.
Report Title:	Residential Mortgage Loans; Mortgage Loan Originator Companies; Posted Business Hours
Description:	Specifies that mortgage loan originator companies shall be open for business to the public during posted business hours, which at a minimum shall be offered within regular business hours. (HB1096 HD2)
Companion:	
Package:	None
Current Referral:	CPH
Introducer(s):	MCKELVEY (Introduced by request of another party)



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**PRESENTATION OF THE
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

TO THE
SENATE COMMITTEE ON
COMMERCE, CONSUMER PROTECTION, AND HEALTH

THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2016

TUESDAY, MARCH 29, 2016
9:00 a.m.

**TESTIMONY ON H.B. NO. 1096, H.D. 2
RELATING TO THE SECURE AND FAIR ENFORCEMENT
FOR MORTGAGE LICENSING ACT**

TO THE HONORABLE ROSALYN H. BAKER, CHAIR,
AND MEMBERS OF THE COMMITTEE

My name is Iris Ikeda, Commissioner of Financial Institutions ("Commissioner"),
testifying on behalf of the Department of Commerce and Consumer Affairs ("Department"). The
Department has no objection to this measure, which would amend Hawaii's mortgage loan
originator law, the Secure and Fair Enforcement for Mortgage Licensing Act, Chapter 454F,
Hawaii Revised Statutes ("HRS").

The measure would amend Section 454F-10.5(g), HRS, to require that a mortgage loan
originator company ("MLOC") location "be open to the public during posted business hours
which, at a minimum, shall be offered within regular business hours." The term "regular

business hours” is already defined by Section 454F-1, HRS. The Department suggests that the amending language be slightly adjusted to require that an MLOC location “be open to the public during its posted business hours, at least some of which shall be during regular business hours.” The proposed change would make it clear that business hours may vary by location, that a location must be open to the public during some, but not all, “regular business hours”, and that a location may be also open at times that are outside of “regular business hours”. The Department believes that this measure’s stakeholders are in agreement with this wording.

The Department has no objection to the bill proposal in its H.D.2 format, but prefers the amendment discussed above, for clarity. If this measure moves forward, the Department also suggests that the effective date be changed to “July 1, 2016”. On this part of the bill, as well, the Department understands that the measure’s stakeholders are in agreement with that effective date.

Thank you for this opportunity to testify. I would be pleased to answer any questions you may have.



March 29, 2016

TO: COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH
Rosalyn H. Baker, Chair
Michelle N. Kidani, Vice Chair

FR: Cathy Lee, President
Hawaii Association of Mortgage Brokers

RE: H.B. 1096 HD2 Relating to the Secure and Fair Enforcement for Mortgage Licensing Act
Position: **Support, with Amendments**

Dear Chair Rosalyn Baker, Vice Chair Michelle Kidani and Members,

The Hawaii Association of Mortgage Brokers (HAMB) supports House Bill 1096 HD2, with amendments.

Thank you for scheduling this hearing and providing an opportunity to support provisions in HB 1096 HD2 regarding posted business hours contained in 454F-10.5. The requirement of posted hours during regular business hours arose out of 2014's Act 198. HAMB understands that Department of Commerce and Consumer Affairs, Division of Financial Institution's (DFI) primary concern regarding posted hours, and the industry has worked to comply with these requirements. As part of the DFI's examination of Mortgage Loan Originator Companies (MLOC), there has been some confusion regarding the application of the posted business hour requirements contained in § 454F-10.5.

The language contained in HB1096 HD2 was developed in collaboration with the Commissioner of Financial Institutions, Iris Ikeda. However, after further review and discussion with Commissioner Ikeda, we have jointly agreed to the following proposed amendment:

§ 454F-10.5, HRS

* * *

g) The principal place of business and each branch office of the mortgage loan originator company shall be identified in NMLS to consumers as a location at which the licensee holds itself out as a mortgage loan originator company. Each

such location shall be open for business to the public during its posted business hours, at least some of which shall be during regular business hours. If a location is in a commercial building, then the business hours shall be posted on or adjacent to the main office door of the mortgage loan originator company's location, and visible to the public from outside the location. If a location is not in a commercial building, or such posting is not permitted by the commercial building, then the business hours shall be posted on the home page of the mortgage loan originator company's website, along with the address and phone number of the location. Business hours, whether posted at a location or on a mortgage loan originator company website, shall be displayed in a clear, conspicuous, and accurate manner to inform the consumer when the location will be open.

The proposed amendment effectively addressed the latitude the Commissioner intended, while also ensuring required compliance. On HAMB's part, this clarity is important for future Administration's implementation of these requirements as contained in 454F-10.5.

We request that HB 1096 HD2 be amended as proposed, and that the effective date be amended to July 1, 2016. Thank you for the opportunity to testify.