STAND. COM. REP. NO. Honolulu, Hawaii , 2017 March 1 RE: S.B. No. 951 S.D. 2 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 951, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to promote consumer protection and efficient regulation of Hawaii's mortgage loan origination industry.

Specifically, this measure:

- Clarifies which personnel of a mortgage loan originator company (MLOC) are presumed to control the company and are, therefore, subject to regulation and supervision, including background checks, by the Commissioner of Financial Institutions;
- (2) Requires exempt sponsoring MLOCs to designate a qualified individual and non-profit organizations to designate an employee to fulfill supervisory and compliance responsibilities required under the State's Secure and Fair Enforcement for Mortgage Licensing Act;



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- (3) Requires exempt sponsoring MLOCs to maintain a principal place of business in the State;
- (4) Clarifies requirements for approval of a licensee's application requesting a change of control; and
- (5) Makes additional updates and housekeeping amendments to Hawaii's Safe and Fair Enforcement for Mortgage Licensing Act in conformity with federal law.

The Department of Commerce and Consumer Affairs testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 951, S.D. 2, H.D. 1, and recommends that it be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ROY M. TAKUMI, Chair



## State of Hawaii House of Representatives The Twenty-ninth Legislature

HSLR 1319

## **Record of Votes of the Committee on Consumer Protection & Commerce**

Bill/Resolution No.: 68 951 502	HDI Committe	e Referral: CRL F	EN Date:	03/221	17
The committee is reconsiderin	g its previous decisior	on the measure.			<b>[</b>
	<ul><li>Pass, unamended</li><li>Pass short form bi</li></ul>		ss, with amendments of mmit for future public		
CPC Members		Ayes	Ayes (WR)	Nays	Excused
. TAKUMI, Roy M. (C)		~			
. ICHIYAMA, Linda (VC	)				V
. AQUINO, Henry J.C.	· · · · · · · · · · · · · · · · · · ·				
. ITO, Ken		~			
. SAY, Calvin K.Y.			and the second second		
. TAKAYAMA, Gregg		$\checkmark$			
. TODD, Chris			-		
8. YAMANE, Ryan I.					
. FUKUMOTO, Beth					
					-
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TOTAL (9)		6	$\bigcirc$	0	3
The recommendation is:	Adopted If joint referral,	Not Adopt committee acronym	did not suppo	rt recommendation	
/ice Chair's or designee's signa	ture:	CQ.	- P.	all	
Distribution: Original (White)		unlicate (Vellow)	- Chief Clerk's Office	Dunlicate (P	ink) – HMSO