STAND. COM. REP. NO. 170 -20

Honolulu, Hawaii

FEB 0 7 , 2020

RE: H.B. No. 2323

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2020 State of Hawaii

Sir:

Your Committee on Intrastate Commerce, to which was referred H.B. No. 2323 entitled:

"A BILL FOR AN ACT RELATING TO THE MORTGAGE LOAN RECOVERY FUND,"

begs leave to report as follows:

The purpose of this measure is to expand the pool of persons eligible to receive restitution from the Mortgage Loan Recovery Fund to include those persons the Commissioner of Financial Institutions has determined are entitled to restitution.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and Hawaii Association of Mortgage Professionals.

Your Committee finds that under the existing system, a restitution payment to an aggrieved person from the Mortgage Loan Recovery Fund is limited to court orders or final judgments against a licensee. This measure seeks to streamline the restitution process by allowing aggrieved parties to obtain restitution by order of the Commissioner of Financial Institutions after an appropriate examination or investigation of the licensee by the Division of Financial Institutions.

Your Committee has amended this measure by:

- (1) Authorizing the Director of Commerce and Consumer Affairs, rather than the Commissioner of Financial Institutions to issue orders for restitution;
- (2) Clarifying that the aggravating conduct by a licensee includes fraud, misrepresentation, or deceit; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Intrastate Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2323, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on behalf of the members of the Committee on Intrastate Commerce,

TAKASHI OHNO Chair

State of Hawaii

House of Representatives
The THIRTIETH Legislature

House of Representatives
The THIRTIETH Legislature

Record of Votes of the Committee on Intrastate Commerce

Bill/Resolution No.: HB2323	Committee Referral: IAC, CPC, FIN			Date: 02/04/2020		
☐ 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)						
IAC Members		Ayes	Ayes (W	R)	Nays	Excused
1. OHNO, Takashi (C)		•				
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2. KOBAYASHI, Dale T. (VC)						
3. GATES, Cedric Asuega			Stransformation was			·
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4. KONG, Sam Satoru		7				ann nilean stainte ar ann an a
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5. NISHIMOTO, Scott Y.					S 10 10 10 10 10 10 10 10 10 10 10 10 10	<u> </u>
6. TAKAYAMA, Gregg						
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7. McDERMOTT, Bob						
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TOTAL (7)		7				
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)						
Vice Chair's or designee's signature:						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						