

A Bill for an Act Relating to Mortgage Brokers.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 454-1, Hawaii Revised Statutes, is amended by adding a new subsection to read:

“Sec. 454-1(8) “Institutional investor” means and includes

(a) banks, savings and loan institutions, trust companies, insurance companies, investment companies as defined in the Investment Company Act of 1940, pension or profit sharing trusts, any of the class of persons permitted to qualify as foreign lenders under section 207-11, or other financial institutions or institutional buyers, whether acting for themselves or as fiduciaries;

(b) the United States or any foreign government, any state or territory thereof, or any agency or corporate or other instrumentality of the United States, a foreign government, or of any state, territory or political subdivision thereof.”

SECTION 2. Chapter 454, Hawaii Revised Statutes, is amended by adding a new section to read:

“Sec. 454- Restrictions. Notwithstanding any exemption provision contained in chapter 485, no mortgage broker or mortgage solicitor licensed under this chapter shall directly or indirectly sell, offer to sell or negotiate mortgage loans to more than twenty-five persons, other than institutional investors, during a period of twelve consecutive months. Each mortgage broker and mortgage solicitor shall respond to all appropriate inquiries and investigations conducted by the mortgage commissioner in this regard.”

SECTION 3. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.*

SECTION 4. This Act shall take effect upon its approval.

(Approved May 15, 1973.)

*Edited accordingly.