

ACT 40

H.B. NO. 3121

A Bill for an Act Relating to Mortgage Brokers.

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

SECTION 1. Section 454-3,<sup>1</sup> Hawaii Revised Statutes, is amended to read as follows:

“(c) Every person licensed as a mortgage broker shall deposit with the commissioner, prior to doing business, a bond in the amount of \$50,000, executed by the mortgage broker as principal and a surety company authorized to do business in the State as a surety[.]; provided that a mortgage broker who does not engage in mortgage servicing or collecting may apply to the commissioner for a lower bond requirement of \$15,000 on the application form prescribed by the commissioner. The bond shall be conditioned upon the faithful compliance of the broker with the provisions of this chapter. The bond shall run to the State for the benefit of any person injured by the wrongful act, default, fraud, or misrepresentation of the broker or the solicitors; provided that the aggregate liability of the surety shall, in no event, exceed the sum of the bond. The surety may cancel the bond by giving sixty days’ notice in writing to the

commissioner and shall thereafter be relieved of any liability for any breach of condition occurring after the effective date of cancellation. A mortgage broker's license shall not be in effect at any time when the bond is not in full force and effect. Only one bond shall be required of any person."

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved April 23, 1990.)

**Note**

1. So in original.