

ACT 168

S.B. NO. 1069

A Bill for an Act Relating to Mortgage Loan Origination.

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

SECTION 1. Section 412:9-501, Hawaii Revised Statutes, is amended by amending its title to read as follows:

**“~~[[§412:9-501]] Registration of nondepository financial services loan companies with [Nationwide Mortgage Licensing System.] NMLS.~~”**

SECTION 2. Section 454F-1, Hawaii Revised Statutes, is amended as follows:

1. By adding four new definitions to be appropriately inserted and to read:

““Loan modification” means a temporary or permanent change to the terms of a borrower’s existing loan agreement, mutually agreed to between a borrower and a lender.

“Mortgage call report” means a single report of condition that each licensee may be required to submit to NMLS.

“NMLS” means a mortgage licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the state licensing and registration of state-licensed loan originators and other financial services providers, or any system provided by the Consumer Financial Protection Bureau.

“Principal place of business” means a mortgage loan originator company’s main office location in this State that is separate from a branch office unless the branch office is specified as the principal place of business by a mortgage loan originator company headquartered out-of-state and identified by any means to consumers as a location at which the licensee holds itself out as a mortgage loan originator company.”

2. By amending the definitions of “branch manager”, “branch office”, “exempt registered mortgage loan originator”, “licensee”, “mortgage loan originator”, “mortgage servicer company”, and “sponsor” to read:

“Branch manager” means an individual who is designated and employed by a mortgage loan originator company to be responsible for the activities in the conduct of business of the licensed mortgage loan originator company’s branch office[;] or principal place of business, in conducting the business of that mortgage loan originator company’s branch office[;] or principal place of business.

“Branch office” means any location, separate from the principal place of business of the mortgage loan originator company that is identified by any means to the public or customers as a location at which the licensee holds itself out as a mortgage loan originator company. For mortgage loan originator companies headquartered out-of-state, a branch office may be its principal place of business.

“Exempt registered mortgage loan originator” means any individual who:

- (1) Meets the definition of mortgage loan originator and is an employee of:
  - (A) An insured depository institution;
  - ~~[(B) A subsidiary that is:~~
    - ~~(i) Owned and controlled by an insured depository institution; and~~
    - ~~(ii) Regulated by a federal banking agency;]~~ or
  - ~~[(C) (B) An institution regulated by the Farm Credit Administration; and~~
- (2) Is registered with, and maintains a unique identifier through, ~~[the Nationwide Mortgage Licensing System]~~ NMLS but is not required to be licensed under this chapter.

“Licensee” means a mortgage loan originator, a mortgage loan originator company, a mortgage servicer company, unless exempt under chapter 454M, or a person who is ~~[required to be]~~ licensed under this chapter. Licensee does not include an exempt registered mortgage loan originator ~~[or]~~, exempt sponsoring mortgage loan originator company, or nonprofit organization as defined by this section.

“Mortgage loan originator”:

- (1) Means an individual who for compensation or gain or in the expectation of compensation or gain:
  - (A) Takes a residential mortgage loan application; or
  - (B) Offers or negotiates terms of a residential mortgage loan; ~~[and]~~
- ~~[(2)]~~ Means any individual who offers or negotiates the terms of a residential mortgage loan secured by a dwelling that served as the individual’s residence, including a vacation home, or inherited property that served as the deceased’s dwelling; provided that the individual does not act as a mortgage loan originator or provide financing for such sales more than three times in a calendar year; and
- ~~[(2)]~~ (3) Includes an independent contractor as defined in this section.

“Mortgage servicer company” means a mortgage servicer company licensed under chapter 454M[;] that employs one or more individuals who conduct mortgage loan origination activity.

“Sponsor” means to:

- (1) Create a relationship through ~~[the Nationwide Mortgage Licensing System;]~~ NMLS; and
- (2) Appropriately supervise a mortgage loan originator’s activities.”

3. By deleting the definition of “Nationwide Mortgage Licensing System” or “Nationwide Mortgage Licensing System and Registry”.

~~["Nationwide Mortgage Licensing System" or "Nationwide Mortgage Licensing System and Registry" means a mortgage licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the licensing and registration of mortgage loan originators, mortgage loan originator companies, exempt registered mortgage loan originators, and exempt registered mortgage loan originator companies as defined by this chapter."]~~

SECTION 3. Section 454F-1.5, Hawaii Revised Statutes, is amended to read as follows:

**“§454F-1.5 Registration with ~~[Nationwide Mortgage Licensing System]~~ NMLS required.** (a) All mortgage loan originators, mortgage loan originator companies, exempt sponsoring mortgage loan originator companies, nonprofit organizations, mortgage servicer companies, and every other person in this State that originates a residential mortgage loan, unless exempt under section 454F-2, shall register with ~~[the Nationwide Mortgage Licensing System.]~~ NMLS.

(b) Exempt registered mortgage loan originators, unless exempt under section 454F-2, shall register and maintain a unique identifier through ~~[the Nationwide Mortgage Licensing System.]~~ NMLS, but shall not be required to be licensed under this chapter.”

SECTION 4. Section 454F-1.6, Hawaii Revised Statutes, is amended to read as follows:

**“§454F-1.6 Presumption of control.** An individual is presumed to control a mortgage loan originator company or a mortgage servicer company if that individual is a director, general partner, managing member, or executive officer who directly or indirectly has the right to vote ten per cent or more of a class of voting securities or has the power to sell or direct the sale of ten per cent or more of a class of voting securities of that mortgage loan originator company~~[-]~~ or mortgage servicer company.”

SECTION 5. Section 454F-1.7, Hawaii Revised Statutes, is amended by amending its title to read as follows:

**“§454F-1.7 Duties of a mortgage loan originator company’s qualified individual and branch manager.”**

SECTION 6. Section 454F-3, Hawaii Revised Statutes, is amended to read as follows:

**“§454F-3 Requirement of licensure.** (a) Effective January 1, 2011, or such later date approved by the United States Department of Housing and Urban Development pursuant to the authority granted under Public Law 110-289, section 1508(e), title 12 United States Code section 5107(e), a person, unless specifically exempted from this chapter, shall not engage in the business of a mortgage loan originator or mortgage loan originator company with respect to any dwelling located in this State without first obtaining and maintaining annually, a license under this chapter. Each licensed mortgage loan originator ~~[or]~~, mortgage loan originator company, or mortgage servicer company shall register with and maintain a valid unique identifier issued by ~~[the Nationwide Mortgage Licensing System.]~~ NMLS and shall submit to ~~[the Nationwide Mortgage Licensing Sys-~~

tem] NMLS any reports that shall be in a form and contain information as [the Nationwide Mortgage Licensing System] NMLS may require.

[A mortgage broker or mortgage solicitor who holds a license under chapter 454 that is valid as of December 31, 2010 and who creates a record and obtains a unique identifying number in the Nationwide Mortgage Licensing System by November 30, 2010 shall be determined to be in compliance with the licensing provisions of this chapter until the commissioner makes a final determination on the issuance or denial of the individual's license.]

(b) An independent contractor shall not engage in the activities of a loan processor or underwriter without a license pursuant to section 454F-4. Each independent contractor licensed as a mortgage loan originator shall obtain and maintain a valid unique identifier issued by [the Nationwide Mortgage Licensing System] NMLS. An independent contractor who is not an exclusive agent of a mortgage loan originator company, in addition to obtaining a license as a mortgage loan originator, shall obtain a license as a mortgage loan originator company.

(c) A loan processor or underwriter who does not represent to the public, through advertising or other means of communicating or providing information, including through business cards, stationery, brochures, signs, rate lists, or other promotional items, that the individual can or will perform any of the activities of a mortgage loan originator, who does not advertise that the individual can or will perform any of the activities of a mortgage loan originator, and who does not engage in the activities of a mortgage loan originator shall not be required to be licensed under this chapter.

[(d) Upon obtaining a [licensing] determination under this chapter, an applicant's license issued under chapter 454 shall automatically terminate.

(e) (d) If this section or any provision of this section conflicts at any time with any federal law, then the federal law shall prevail and this section or the relevant provisions of this section shall become ineffective and invalid. The ineffectiveness or invalidity of this section or any of its provisions shall not affect any other provisions or applications of this chapter which shall be given effect without the invalid provision or application, and to this end, the provisions of this section are severable.”

SECTION 7. Section 454F-4, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (b) to read:

“(b) To fulfill the purposes of this chapter, the commissioner [~~shall establish relationships~~] may enter into agreements or contracts with [the Nationwide Mortgage Licensing System] NMLS or other entities [~~designated by the Nationwide Mortgage Licensing System~~] to use NMLS to collect and maintain records and process transaction fees or other fees related to licensees or other persons subject to this chapter.”

2. By amending subsection (d) to read:

“(d) In connection with an application for a license under this chapter, the applicant, at a minimum, shall furnish to [the Nationwide Mortgage Licensing System] NMLS information concerning the applicant's identity, including:

(1) Fingerprints of the applicant [~~and,~~] or, if an applicant is not an individual, each of the applicant's control persons, executive officers, directors, general partners, and managing members for submission to the Federal Bureau of Investigation and any governmental agency or entity authorized to receive the fingerprints for a state, national, and international criminal history background check; and

- (2) Personal history and experience of the applicant [~~and,~~] or, if an applicant is not an individual, each of the applicant's control persons, executive officers, directors, general partners, and managing members in a form prescribed by [~~the Nationwide Mortgage Licensing System~~] NMLS including the submission of authorization for [~~the Nationwide Mortgage Licensing System~~] NMLS and the commissioner to obtain:
  - (A) An independent credit report obtained from a consumer reporting agency described in section 603(p) of the Fair Credit Reporting Act, title 15 United States Code section 1681 et seq.; and
  - (B) Information related to any administrative, civil, or criminal findings by any governmental jurisdiction;

provided that the commissioner may use any information obtained pursuant to this subsection or through [~~the Nationwide Mortgage Licensing System~~] NMLS to determine an applicant's demonstrated financial responsibility, character, and general fitness for licensure."

SECTION 8. Section 454F-6, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) An applicant for licensure as a mortgage loan originator shall complete at least twenty hours of pre-licensing education approved in accordance with subsection (b) that includes:

- (1) Three hours of federal law and regulations[;] and three hours of state law and rules;
- (2) Three hours of ethics, that shall include instruction on fraud, consumer protection, and fair lending issues; and
- (3) Two hours of training related to lending standards for the nontraditional mortgage product marketplace.

Upon completion of the pre-licensing education, an individual has up to twelve months to submit an application for licensure as a mortgage loan originator. An individual who submits an application after the twelve months have expired will be required to repeat the pre-licensing education requirements."

SECTION 9. Section 454F-7, Hawaii Revised Statutes, is amended as follows:

- 1. By amending subsection (a) to read:

"(a) To meet the [~~passing of the~~] written test requirement in section 454F-5, an applicant for licensure as a mortgage loan originator shall pass, in accordance with the standards established under this section, a qualified written test developed by [~~the Nationwide Mortgage Licensing System~~] NMLS and administered by a test provider approved by [~~the Nationwide Mortgage Licensing System~~] NMLS based upon reasonable standards."

- 2. By amending subsections (c) and (d) to read:

"(c) Nothing in this section shall prohibit a test provider approved by [~~the Nationwide Mortgage Licensing System~~] NMLS from providing a test at the location of the employer of the applicant, the location of any subsidiary or affiliate of the employer of the applicant, or the location of any entity with which the applicant holds an exclusive arrangement to conduct the business of a mortgage loan originator.

(d) An individual shall have passed a qualified written test if the individual achieves a test score of seventy-five per cent of the correct answers to questions or better. An individual may [~~retake~~] take a test three [~~consecutive~~] times with each [~~consecutive taking~~] retest occurring at least thirty days after the

preceding test. After failing three consecutive tests, an individual shall wait at least six months before taking the test again. A licensed mortgage loan originator who fails to maintain a valid license for a period of five years or longer not taking into account any time during which the individual is an exempt registered mortgage loan originator, shall retake the test.”

SECTION 10. Section 454F-8, Hawaii Revised Statutes, is amended to read as follows:

**“§454F-8 Standards for license renewal.** (a) The minimum standards for license renewal for mortgage loan originators shall include the following:

- (1) The mortgage loan originator continues to meet the minimum standards for licensure under section 454F-5;
- (2) The mortgage loan originator has satisfied the annual continuing education requirements in section 454F-9[~~;~~] prior to requesting renewal; and
- (3) The mortgage loan originator has paid all required fees for renewal of the license.

(b) The minimum standards for license renewal for mortgage loan originator companies shall include the following:

- (1) The mortgage loan originator company continues to meet the minimum standards for licensure established pursuant to section 454F-5;
- (2) The mortgage loan originator company’s qualified individual and every branch manager have satisfied the minimum standards for license renewal; and
- (3) The mortgage loan originator company has paid all required fees for renewal of the license.

(c) The minimum standards for license renewal for a mortgage servicer company shall include the following:

- (1) The mortgage servicer company continues to meet the minimum standards for licensure established pursuant to section 454F-5; and
- (2) The mortgage servicer company has paid all required fees for renewal of the license.

~~[(e)]~~ (d) The license of a mortgage loan originator ~~[or], mortgage loan originator company, or mortgage servicer company~~ that fails to satisfy the minimum standards for license renewal shall expire. The commissioner may adopt procedures for the reinstatement of expired licenses consistent with section 454F-8.5 and the standards established by ~~[the Nationwide Mortgage Licensure System.]~~ NMLS.”

SECTION 11. Section 454F-9, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Each year, a licensed mortgage loan originator shall complete at least eight hours of education approved in accordance with subsection (b) that shall include ~~[at least]~~:

- (1) Three hours of federal law and regulations;
- (2) One hour of state law and rules;
- ~~[(2)]~~ (3) Two hours of ethics that shall include instruction on fraud, consumer protection, and fair lending issues; and
- ~~[(3)]~~ (4) Two hours of training related to lending standards for the non-traditional mortgage product marketplace.”

SECTION 12. Section 454F-10, Hawaii Revised Statutes, is amended to read as follows:

**“§454F-10 Authority to require license.** In addition to any other duties imposed upon the commissioner, the commissioner shall require mortgage loan originators ~~[and], mortgage loan originator companies, and mortgage servicer companies~~ to be licensed and registered through ~~[the Nationwide Mortgage Licensing System.]~~ NMLS. The commissioner is authorized to participate in ~~[the Nationwide Mortgage Licensing System.]~~ NMLS. The commissioner may establish by rule pursuant to chapter 91, requirements for mortgage loan originators ~~[and], mortgage loan originator companies, and mortgage servicer companies,~~ including:

- (1) Background checks of:
  - (A) Criminal history through fingerprint or other databases;
  - (B) Civil or administrative records;
  - (C) Credit history; and
  - (D) Any other source deemed necessary by ~~[the Nationwide Mortgage Licensing System;]~~ NMLS;
- (2) Fees to apply for or renew licenses through ~~[the Nationwide Mortgage Licensing System;]~~ NMLS;
- (3) The setting or resetting as necessary of license renewal and reporting dates;
- (4) Requirements for amending or surrendering a license; and
- (5) Any other activity the commissioner deems necessary to participate in ~~[the Nationwide Mortgage Licensing System.]~~ NMLS.”

SECTION 13. Section 454F-10.5, Hawaii Revised Statutes, is amended to read as follows:

**“§454F-10.5 Authorized places of business; designation of qualified individuals and branch managers; branch offices; out-of-state headquarters; relocation.**

(a) Every mortgage loan originator company licensed under this chapter shall have and maintain a principal place of business in the State and shall designate a qualified individual who is licensed as a mortgage loan originator pursuant to this chapter to oversee mortgage loan originators employed or contracted by the company. If the qualified individual is physically located at a branch office, the qualified individual may also be designated as the branch manager.

(b) A mortgage loan originator company shall not maintain any branch offices in the State in addition to its principal place of business without the prior written approval of the commissioner. An application to establish a branch office shall be submitted through NMLS with a nonrefundable application fee as required by section 454F-22. A mortgage loan originator company ~~[that establishes one or more branch offices pursuant to this subsection]~~ shall designate a branch manager for each branch office ~~[located at]~~ who is physically present in the branch office to oversee that branch office. Every branch manager shall be licensed as a mortgage loan originator pursuant to this chapter.

(c) A mortgage loan originator company shall not relocate any office in this State without the prior written approval of the commissioner. An application to relocate an office shall be submitted to the commissioner at least thirty days prior to relocating and shall set forth the reasons for the relocation, the street address of the proposed relocated office, and other information that may be required by the commissioner. An application to relocate an office pursuant to this subsection shall be submitted with a nonrefundable fee as required by section 454F-22.

(d) A mortgage loan originator company shall give the commissioner notice of its intent to close a branch office at least thirty days prior to the closing. The notice shall:

- (1) State the intended date of closing; and
  - (2) Specify the reasons for the closing.
- (e) A mortgage loan originator company that maintains its headquarters outside of the State shall:
- (1) Designate an office in this State as its principal place of business in this State;
  - (2) Apply for and obtain approval from the commissioner to designate its principal place of business in this State as a branch office pursuant to this section; and
  - (3) Designate a qualified individual who shall hold a license as a mortgage loan originator pursuant to this chapter; provided that the qualified individual may be the same person designated as the branch manager.
- (f) A mortgage loan originator company that maintains its headquarters in this State shall designate a qualified individual who is physically present in the principal place of business office as its branch manager to oversee and manage that principal place of business office.

SECTION 14. Section 454F-11, Hawaii Revised Statutes, is amended to read as follows:

**“~~§454F-11 [Nationwide Mortgage Licensing System]~~ NMLS registry information; challenge process. The commissioner shall establish a process by rule pursuant to chapter 91 whereby a licensee may challenge information entered into [~~the Nationwide Mortgage Licensing System~~] NMLS by the commissioner.”**

SECTION 15. Section 454F-15, Hawaii Revised Statutes, is amended by amending subsection (i) to read as follows:

“(i) The commissioner may charge an examination or investigation fee, payable to the division, based upon the cost per hour per examiner for all licensees and persons subject to this chapter examined or investigated by the commissioner or the commissioner’s staff. The hourly fee shall be [~~\$40~~] \$60 or an amount as the commissioner shall establish by rule pursuant to chapter 91. In addition to the examination or investigation fee, the commissioner may charge any person that is examined or investigated by the commissioner or the commissioner’s staff pursuant to this section additional amounts for travel, per diem, mileage, and other reasonable expenses incurred in connection with the examination or investigation, payable to the division.”

SECTION 16. Section 454F-16, Hawaii Revised Statutes, is amended to read as follows:

**“~~§454F-16 Mortgage call reports.~~ Each licensee, as may be required by title 12 United States Code sections 5101 to 5116, shall submit quarterly to [~~the Nationwide Mortgage Licensing System~~] NMLS reports of condition, using the form entitled “REPORT OF CONDITION”, which shall be in the form and contain the information as [~~the Nationwide Mortgage Licensing System~~] NMLS may require.”**

SECTION 17. Section 454F-20, Hawaii Revised Statutes, is amended to read as follows:

**“~~[[§454F-20]] Report to [Nationwide Mortgage Licensing System.]~~ NMLS. Notwithstanding any other law to the contrary, the commissioner is**



required to regularly report violations of this chapter, as well as enforcement actions and other relevant information, to ~~[the Nationwide Mortgage Licensing System]~~ NMLS subject to the confidentiality provisions contained in section 454F-14.”

SECTION 18. Section 454F-22, Hawaii Revised Statutes, is amended to read as follows:

**“§454F-22 Mortgage loan originator, mortgage loan originator company, [and] exempt sponsoring mortgage loan originator company, nonprofit organizations, and mortgage servicer company fees. (a) [A] Except as provided in subsection (b), a mortgage loan originator shall pay the following fees to obtain and maintain a valid mortgage loan originator license:**

- (1) Initial application fee of ~~[\$500;]~~ \$600;
- (2) Annual license renewal fee of ~~[\$300;]~~ \$350;
- (3) Reinstatement fee of \$100;
- (4) Late fee of \$25 per day; and
- (5) Criminal background check fee of \$35, or of an amount determined by the commissioner by rule pursuant to chapter 91.

**(b) A sole proprietor mortgage loan originator shall pay the following fees to obtain and maintain a valid sole proprietor mortgage loan originator license:**

- (1) Initial application fee of \$35;
- (2) Annual license renewal fee of \$35;
- (3) Reinstatement fee of \$100;
- (4) Late fee of \$25 per day; and
- (5) Criminal background check fee of \$35, or of an amount determined by the commissioner by rule pursuant to chapter 91.

**[(b)] (c) A mortgage loan originator company shall pay the following fees to maintain a valid mortgage loan originator company license or branch license:**

- (1) Fees payable for a principal office of a mortgage loan originator company:
  - (A) Initial application fee of \$900;
  - (B) Processing fee of \$35 for each control person;
  - ~~[(B)] (C)~~ Annual license renewal fee of \$600;
  - ~~[(C)] (D)~~ Reinstatement fee of \$100;
  - ~~[(D)] (E)~~ Late fee of \$25 per day; and
  - ~~[(E)] (F)~~ Criminal background check fee of \$35, or of an amount determined by the commissioner by rule pursuant to chapter 91, for each control person, executive officer, director, general partner, and manager; and
- (2) Fees payable for each branch office of a mortgage loan originator company:
  - (A) Initial application fee of \$250;
  - (B) Annual license renewal fee of \$100;
  - (C) Reinstatement fee of \$100; and
  - (D) Late fee of \$25 per day.

**[(c)] (d) An exempt sponsoring mortgage loan originator company shall pay the following fees to maintain a valid registration in ~~[the Nationwide Mortgage Licensing System and Registry:]~~ NMLS:**

- (1) Initial registration fee of \$200;
- (2) Annual registration renewal fee of \$150; and
- (3) Late fee of \$25 per day.

~~[(d)]~~ (e) A nonprofit organization shall pay the following fees to maintain a valid registration as a nonprofit organization in ~~[the Nationwide Mortgage Licensing System and Registry:]~~ NMLS:

- (1) Initial registration fee of \$200;
- (2) Annual registration renewal fee of \$150; and
- (3) Late fee of \$25 per day.

~~(f)~~ A mortgage servicer company shall pay for a principal office the following fees to maintain a valid mortgage loan originator company license:

- (1) Initial application fee of \$600;
- (2) Annual license renewal fee of \$600;
- (3) Reinstatement fee of \$100;
- (4) Late fee of \$25 per day; and
- (5) Criminal background check fee of \$35, or of an amount determined by the commissioner by rule pursuant to chapter 91, for each control person, executive officer, director, general partner, and managing member.

~~[(e)]~~ (g) In addition to fees charged by ~~[the Nationwide Mortgage Licensing System,]~~ NMLS, a licensee shall pay to the commissioner a fee of ~~[\$50]~~ \$100 for each of the following amendments to information provided to ~~[the Nationwide Mortgage Licensing System]~~ NMLS that require the review of the commissioner:

- (1) Change of physical location or mailing address for branch office or principal place of business;
- (2) Addition or deletion of a “d/b/a” assignment;
- (3) Change of mortgage loan originator’s sponsor;
- (4) Change of qualified individual;
- (5) Change of branch manager; and
- (6) Change of mortgage loan originator company’s legal name.

The commissioner, upon a showing of good cause, may waive any fee set forth in this subsection.

~~[(f)]~~ (h) The fees established by this section are nonrefundable and are in addition to any fees established and charged by ~~[the Nationwide Mortgage Licensing System,]~~ NMLS, an approved educational course provider, an approved educational testing provider, a law enforcement agency for fingerprints and background checks, or a credit reporting agency used by ~~[the Nationwide Mortgage Licensing System,]~~ NMLS.

~~[(g)]~~ (i) The commissioner may establish, by rule pursuant to chapter 91, any other fees or charges necessary for the administration of this chapter.”

SECTION 19. Section 454F-41, Hawaii Revised Statutes, is amended by amending subsections (b) and (c) to read as follows:

“(b) In addition to application fees and any fees required by ~~[the Nationwide Mortgage Licensing System,]~~ NMLS, a licensee shall pay to the division a mortgage loan recovery fund fee as follows for deposit in the mortgage loan recovery fund:

- (1) The sum of \$300 for each principal office location of a mortgage loan originator company~~;~~ or mortgage servicer company;
- (2) The sum of \$250 for each branch office location of a mortgage loan originator company; and
- (3) The sum of \$200 for each mortgage loan originator.

(c) Upon application for renewal of a license under this chapter, a licensee shall pay, in addition to the licensee’s license renewal fee and fees required by ~~[the Nationwide Mortgage Licensing System,]~~ NMLS, a mortgage loan recovery fund fee as follows for deposit in the mortgage loan recovery fund:

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- (1) The sum of \$200 for each principal office location of a mortgage loan originator company~~]~~ or a mortgage servicer company;
- (2) The sum of \$100 for each branch office location of a mortgage loan originator company; and
- (3) The sum of \$100 for each mortgage loan originator.

Mortgage loan recovery fees collected pursuant to this subsection shall be refundable upon the denial of a license renewal by the commissioner.”

SECTION 20. Sections 412:9-501(b); 454F-2.5; 454F-4(a) through (f); 454F-4.9(a); 454F-6(b) through (e); 454F-9(b), (c), (d), and (g); 454F-14(a), (c), and (f); 454F-17; and 454F-23, Hawaii Revised Statutes, are amended by substituting the word “NMLS” wherever the words “the Nationwide Mortgage Licensing System”, or similar term, appears, as the context requires.

SECTION 21. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 22. This Act shall take effect upon its approval.

(Approved June 21, 2013.)