



*Mortgage Bankers Association of Hawaii*  
*P.O. Box 4129, Honolulu, Hawaii 96812*

February 1, 2024

The Honorable Scot Z. Matayoshi, Chair  
The Honorable Andrew Takuya Garrett, Vice Chair  
Members of the House Committee on Labor and Government Operations

Hearing Date: February 2, 2024  
Hearing Time: 9:40am

Re: HB 2641 Relating to Appraisal Management Companies

I am Linda Nakamura, representing the Mortgage Bankers Association of Hawaii ("MBAH"). The MBAH is a voluntary organization of individuals involved in the real estate lending industry in Hawaii. Our membership consists of employees of banks, savings institutions, mortgage bankers, mortgage brokers, financial institutions, and companies whose business depends upon the ongoing health of the financial services industry of Hawaii. The members of the MBAH originate and service, or support the origination and servicing, of the vast majority of residential and commercial real estate mortgage loans in Hawaii. When, and if, the MBAH testifies on legislation or rules, it is related only to mortgage lending and servicing.

The MBAH SUPPORTS THIS BILL. This Bill is pro-consumer and allows lenders the flexibility to use Appraisal Management Companies ("AMCs") when they do not have the internal resources to vet and manage a list of appraisers. The program that was formerly in place under HRS Chapter 466L was sunsetted on June 30, 2023, but written notification to the AMC's that were registered by the DCCA of the termination of their registration status was not provided until August 29, 2023. Therefore, there was a period during which lenders may have used unlicensed AMCs for "Federally related mortgage loans" <sup>(1)</sup> and unknowingly violated Dodd-Frank regulations which specify that only licensed AMCs may be used for these transactions. "Federally related mortgage loans" include mortgages that total upwards of half of all residential mortgage transactions in Hawaii. Hence, retroactive re-establishment of the same licensure program that was in place under HRS Chapter 466L, as proposed in this Bill, is essential.

We request expedited passage of this Bill by the Legislature, the signing by the Governor of this Bill into law, the re-establishment by DCCA of the same licensure program that was in existence for 6 years, and the re-registration by DCCA of the AMCs that had been registered before June 30, 2023 as soon as operationally viable.

We also support the amendments to the Bill as proposed in testimony submitted by MARVIN S.C. DANG as Attorney for Hawaii Financial Services Association.

(1) <https://www.consumerfinance.gov/rules-policy/regulations/1024/2/#b-9>

Thank you for the opportunity to present this testimony.

Linda Nakamura  
Mortgage Bankers Association of Hawaii