

July 7, 2014

Notice Regarding New State-Specific Education Requirements for State of Hawaii Division of Financial Institutions (HI-DFI) Beginning July 1, 2013 (Updated July 7, 2014)

Purpose

The purpose of this notice is to inform NMLS approved course providers of new pre-licensure education (PE) requirements that must be met as a condition for licensure with Hawaii Division of Financial Institutions beginning July 1, 2013. NMLS will begin accepting courses for approval to meet this education requirement beginning May 1, 2013.

Background and Reason for the Notice

Hawaii Division of Financial Institutions (HI-DFI) has informed NMLS that it will adopt the Uniform State Test (UST) with the amendment of SB-1069 on July 1, 2013. As part of the adoption of the UST, individuals seeking licensure with HI-DFI will no longer be required to take the Hawaii State Component of the MLO SAFE Test. However, individuals seeking licensure with HI-DFI on and after July 1 will now be required to complete three (3) hours of Hawaii State specific PE prior to licensure by the agency. There was no state specific requirement prior to July 1.

HI-DFI State-Specific Education Requirements and Reference List

Beginning July 1, 2013, HI-DFI pre-licensure education requirements will be as follows:

- 3 hours of Federal Law;
- 3 hours of Ethics (must include fraud, consumer protection, and fair lending issues);
- 2 hours lending standards for Non-Traditional mortgage products;
- 9 hours of General Electives
- 3 hours of HI-DFI Defined Electives

Total PE: 20 hours

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.

HI-DFI has established the following the course content standards that must be met as a condition for NMLS course approval:

- **1.5 hours** covering the Hawaii's SAFE Act, Chapter 454F, Hawaii Revised Statutes

- **1.5 hours** covering the usury Act, Unfair practices with respect to real estate transaction, mortgage deed of trust, and real estate contract statuses set forth in, Hawaii principal and agent law.

To assist in course development, the following reference list applies:

HRS Chapter 454F, The Hawaii SAFE Act: (http://hawaii.gov/dcca/dfi/hrs/CHAPTER_454F_-07-12.pdf)

HRS Chapter 478 - Interest and Usury: http://www.capitol.hawaii.gov/hrscurrent/Vol11_Ch0476-0490/HRS0478/HRS_0478-.htm

HRS Chapter 480-2 - Unfair Competition and Practices:
http://www.capitol.hawaii.gov/hrscurrent/Vol11_Ch0476-0490/HRS0480/HRS_0480-0002.HTM

Title 26. Trade Regulation and Practice 477E Fair Credit Extension
http://www.capitol.hawaii.gov/hrs2007/Vol11_Ch0476-0490/HRS0477E/HRS_0477E-.htm

In accordance with the SAFE Act, NMLS is the approval authority for courses that are intended to satisfy either the PE or CE requirement for an MLO to be licensed by a state-agency. Courses intending to satisfy new HI-DFI requirements must also meet NMLS course approval standards as detailed in the *Functional Specification for All NMLS Approved Courses*. NMLS will begin accepting courses for approval to meet this education requirement beginning May 1, 2013, with the intent of having them approved in time to meet the state agency's new requirement on July 1, 2013.