



Description



HAWAII NON-PROFIT REGISTRATION

Who may request a Nonprofit Registration?

A Nonprofit organization, as defined by Hawaii Revised Statutes Chapter 454F (“Chapter 454F”), is an organization that:

- (1) Has the status of a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended;
- (2) Promotes affordable housing or provides homeownership education or similar services;
- (3) Conducts its activities in a manner that serves public or charitable purposes, rather than commercial purposes;
- (4) Receives funding and revenue and charges fees in a manner that does not incentivize it or its employees to act other than in the best interests of its clients;
- (5) Compensates its employees in a manner that does not incentivize employees to act other than in the best interests of its clients; and
- (6) Provides, or identifies for the borrower, residential mortgage loans with terms favorable to the borrower and comparable to mortgage loans and housing assistance provided under government housing assistance programs.

A Nonprofit Mortgage Loan Originator Company is exempt from licensure under Chapter 454F. However, it is required to register and obtain a unique identifier through NMLS.

An employee who performs mortgage loan originator activities for a nonprofit organization is exempt from registration and licensure as a mortgage loan originator; provided that:

- (1) The employee's actions are part of the employee's duties as an employee of the nonprofit organization;
- (2) The employee only provides mortgage loan originator services with respect to residential mortgage loans with terms favorable to the borrower; and
- (3) The nonprofit organization registers with NMLS.

In determining whether a residential mortgage loan has terms favorable to the borrower, the commissioner shall examine:

- (1) The interest rate that the home loan would carry;
- (2) The charges that are imposed on the borrower for origination, application, closing, and other costs;

- (3) Whether the mortgage includes any predatory characteristics;
- (4) The borrower's ability to repay the loan; and
- (5) The term of the mortgage.

Companies registering through NMLS must agree to abide by NMLS requirements, including attesting to the accuracy of the information submitted, agreeing to keep its information updated through NMLS, and annually renewing the registration through the NMLS Streamlined Renewal Process.

Who is not allowed to maintain a Nonprofit Registration?

Any company required to hold a license under Chapter 454F may not maintain a Nonprofit Mortgage Loan Originator Company Registration. Such companies must hold a Mortgage Loan Originator Company License.

What are the pre-requisites for Nonprofit Registration applications?

Companies authorized to register as a Nonprofit Mortgage Loan Originator Company in Hawaii must designate an individual to serve as the “Qualifying Individual” in charge of the mortgage loan origination activities or in charge of the oversight of mortgage loan originators.

Nonprofit Mortgage Loan Originator Companies registering with NMLS must agree to abide by all NMLS policies and use agreements.

WHO TO CONTACT – Contact DFI MLO licensing staff by phone at (808) 586-2820 or send your questions via e-mail to dfi-nmls@dcca.hawaii.gov for additional assistance.

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE AMENDING. THE JURISDICTION SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE THE REGISTRATION REQUEST THROUGH THE NMLS. PLEASE CONSULT LEGAL COUNSEL IF THE APPLICANT/LICENSEE HAVE QUESTIONS RELATING TO NONPROFIT ORGANIZATION STATUS