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STATE OF HAWAII
REQUEST FOR SOLE SOURCE

STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Commerce & Consumer Affairs / Financial Institutions
(Department/Division/Agency)

Pursuant to § 103D-306, HRS, and Subchapter 9, Chapter 3-122, HAR, the Department requests sole source approval to purchase the following:

Description of goods, services, or construction:

Nationwide Mortgage Licensing System ("NMLS") fee for the Division of Financial Institutions ("DFI") to utilize the NMLS for the purposes of licensing mortgage loan originators ("MLOs") and mortgage loan originator companies ("MLOCs") as required by HRS Chapter 454F, as amended by Act 84, 2010 SLH. The NMLS is a web-based system that allows state licensed MLOs and MLOCs to apply for, amend, update or renew a license online for all participating state agencies using a single set of uniform applications. The NMLS was created by the Conference of State Bank Supervisors ("CSBS") and the American Association of Residential Mortgage Regulators, and is owned and operated by the State Regulatory Registry LLC, a wholly owned subsidiary of CSBS.

Name of Vendor: State Regulatory Registry, LLC	Cost:
Address: PO Box 791272 Baltimore, Maryland 21279-1272	\$51,000.00

Term of Contract: From: To:	Prior Sole Source Reference No:
NA - one time payment only	NA

The goods, services, or construction has the following unique features, characteristics, or capabilities:

The federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 ("SAFE Act"), 12 USC 5101, et. seq., required states to participate in the NMLS and license MLOs under SAFE Act compliant standards. For any state that did not meet these requirements, the SAFE Act provided that the federal Department of Housing and Urban Development would license and register MLOs operating in that state. When the Legislature enacted Act 32, 2009 SSLH (since codified as HRS Chapter 454F), it determined that it was in the best interest of this State for the regulation of MLOs to remain the purview of the State. In accordance with the SAFE Act, HRS Chapter 454F requires that DFI utilize the NMLS to license MLOs and MLOCs. NMLS has the SAFE Act required capability to provide valid unique identifiers to MLOs, uniform application and reporting requirements, a comprehensive licensing and supervisory database, a streamlined licensing process that reduces regulatory burden, accountability and tracking of MLOs, and consumer access to information about MLOs.

How the unique features, characteristics, or capabilities are essential for the agency to accomplish its work:

The use of the NMLS is essential for DFI to license MLOs and MLOCs in accordance with HRS Chapter 454F since that law specifically requires that DFI utilize the NMLS in the licensing process and requires the Commissioner of Financial Institutions to establish relationships or contracts with the NMLS to collect and maintain records and process fees (HRS §454F-4). The law also specifically requires that the MLOs and MLOCs obtain a valid unique identifier issued by NMLS (HRS §454F-3). Payment of this NMLS fee is required before DFI will be allowed to utilize NMLS and before MLOs and MLOCs wishing to be licensed in Hawaii will be able to submit applications through the NMLS to DFI as required by HRS Chapter 454F.

The following other possible sources for the goods, services, or construction were investigated but do not meet our needs because:

There is no other source for providing the system for the licensing of and assignment of valid unique identifiers to MLOs and MLOCs since both the federal SAFE Act and HRS Chapter 454F specifically require use of the NMLS.

Direct Questions To: Lynne Himeda, Deputy Commissioner

Phone: 586-2820

I certify that the information provided above is to the best of my knowledge, true, correct and that the goods, services, or construction are available through only one source.


Department/Agency Head

27 MAY 10
Date

Title (If other than Department/Agency Head)

*Posted 6/3/10
LH*

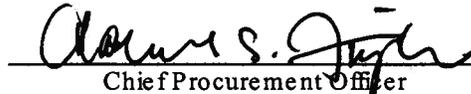
Chief Procurement Officer's Comments:

Department is reminded that this contract award is required to be posted on the Procurement Reporting System.

Please ensure adherence to applicable administrative and statutory requirements.

Expenditure may be processed through a purchase order: Yes No _____ If no, a contract must be executed and funds certified.

Approved _____ Denied

 7/2/2010
Chief Procurement Officer Date

Invoice No. 9855

State Regulatory Registry LLC
 REMITTANCE ADDRESS:
 P.O. Box 791272
 Baltimore, Maryland 21279-1272
 Ph: 202-296-2840 Fax: 202-296-1928

INVOICE

Sold To: Hawaii Division of Financial Institutions
 PO Box 2054
 Honolulu, HI 96805

Ship To: Hawaii Division of Financial Institutions
 PO Box 2054
 Honolulu, HI 96805

Account No.	Purchase Order No.	Order Date	Order Number	Terms	Invoice Date	Shipping Method	
4546		5/17/2010	13064	Due Upon Receipt	5/17/2010		
Qty Ordered	Qty Shipped	Back-Ordered	Item Code Description	Unit Price	Extended Price		
1	1		MORT LICENSING Nationwide Mortgage Licensing System Fee	51,000.00	51,000.00		
Line Item Total	Freight	Handling	Restocking/ Cancellation Fee	Tax	Subtotal	Amount Received	Amount Due
51,000.00					51,000.00		\$ 51,000.00
FEIN = CSBS Is 52-2080072 EFSBS							