STAND. COM. REP. NO. 663

Honolulu, Hawaii

March 5, 2009

RE: H.B. No. 1070

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1070 entitled:

"A BILL FOR AN ACT RELATING TO THE CODE OF FINANCIAL INSTITUTIONS,"

begs leave to report as follows:

The purpose of this bill is to improve the regulation of financial institutions by:

- (1) Allowing financial institutions to temporarily close or relocate branches or agencies for an emergency or other good cause; and
- (2) Limiting how much a financial institution may invest in the obligations of any one issuer that is a United States government-sponsored agency originally established or chartered by the United States government to serve public purposes specified by Congress, but whose debt obligations are not explicitly guaranteed by the full faith and credit of the United States.

The Department of Commerce and Consumer Affairs testified in support of this bill. The Hawaii Financial Services Association supported the intent of this measure.

Your Committee finds that the limitations established by this bill for investments by financial institutions in certain debt obligations that are not explicitly guaranteed by the United

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States were prompted by the recent turmoil in global financial markets having a significant and negative impact on many large institutional investors. This bill seeks to ensure that financial institutions engaging in such activities make prudent investments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1070 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ROBERT N. HERKES, Chair

State of Hawaii

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.:	Committee Referral:		Date:	
ttp 1070	(PC) 2/23/09			
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold				
☐ Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)				
2. WAKAI, Glenn (VC)				
3. BELATTI, Della Au				
4. CABANILLA, Rida				
5. CARROLL, Mele				
6. ITO, Ken				
7. KARAMATSU, Jon Riki				
8. LUKE, Sylvia				
9. McKELVEY, Angus L.K.				V
10. MIZUNO, John M.				
11. MORITA, Hermina M.				
12. SOUKI, Joseph M.				
13. TSUJI, Clift				
14. MARUMOTO, Barbara C.				
15. THIELEN, Cynthia				
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TOTAL (15)	_ 10	Ø	Ø	5
The recommendation is: Adopted If joint referral, committee acronym(s) Not Adopted did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				