

HB2319 HD1

Measure Title:	RELATING TO MONEY TRANSMITTERS.
Report Title:	Money Transmitters; Change in Control; Division of Financial Institutions
Description:	Clarifies chapter 489D, Hawaii Revised Statutes, requirements for money transmitter licensee change in control application, including requirement for criminal background check of persons who will assume control of the licensee. Updates reference to federal Regulation E. (HB2319 HD1)
Companion:	SB2848
Package:	Governor
Current Referral:	CPH, JDL
Introducer(s):	SOUKI (Introduced by request of another party)



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**PRESENTATION OF THE
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

TO THE SENATE COMMITTEE ON
COMMERCE, CONSUMER PROTECTION, AND HEALTH

THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2016

WEDNESDAY, MARCH 16, 2016
9:00 a.m.

**TESTIMONY ON H.B. No. 2319, H.D. 1
RELATING TO MONEY TRANSMITTERS**

TO THE HONORABLE ROSALYN H. BAKER, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Iris Ikeda, Commissioner of Financial Institutions ("Commissioner"),
testifying on behalf of the Department of Commerce and Consumer Affairs in strong
support of this administration bill, H.B. No. 2319, H.D. 1, with an amendment making the
measure effective "upon its approval".

This bill improves the change in control provision of the Money Transmitters law,
Chapter 489D, Hawaii Revised Statutes ("HRS"), in two ways. First, it expands the
class of persons who may apply for the Commissioner's approval of a change of control

of a money transmitter licensee. Currently, only a licensee may submit such an application. This is impracticable in hostile takeover situations in which the licensee may be uncooperative. H.B. No. 2319, H.D. 1, would resolve this situation by authorizing the persons requesting approval of change in control of a licensee to submit the application.

Second, the bill would enable the Division of Financial Institutions to conduct criminal background checks on persons who are to assume control of the licensee. This would provide important information for the Commissioner's determination whether, pursuant to Section 489D-15, HRS, the persons requesting approval of the change in control, possess the character, and general fitness to control the licensee lawfully and properly, without jeopardizing the interest of the public.

The bill also updates the name of the federal agency that oversees Regulation E, from the Federal Reserve Board to the Consumer Financial Protection Bureau, to avoid confusion.

DFI strongly supports this administration bill, H.B. No. 2319, H.D. 1, and respectfully requests it be passed, amending the effective date to "upon its approval".

Thank you for this opportunity to testify. I would be pleased to respond to any questions that you may have.