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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Consumer Protection and Commerce
Tuesday, February 28, 2023
2:00 p.m.
Conference Room 329**

**On the following measure:
H.B. 1027 H.D.1, RELATING TO MONEY TRANSMITTERS MODERNIZATION ACT**

Chair Nakashima and Members of the Committee:

My name is Iris Ikeda, and I am the Commissioner of Financial Institutions, Department of Commerce and Consumer Affairs (Department). The Department supports this administration bill.

The purpose of this bill is to enable timely, coordinated, and efficient regulation of money transmission companies to achieve financial stability and economic growth, while providing consumer protection and allow the State to share resources, data, and technology tools with other states to create a stronger multi-state system of financial regulation.

Currently, the financial components of the money transmitters modernization act, chapter 489D, HRS, provides insufficient consumer protection. The outdated financial condition requirements do not provide adequate protection for consumers considering the evolution of money transmission companies conducting activities worldwide.

The amendments incorporate the agreed upon language discussed with the industry and the Conference of State Bank Supervisors for adequate financial condition of money transmitters. With these amendments, Hawaii will have incorporated the Model Money Transmission Modernization Act to provide appropriate consumer protection requirements and will allow the industry to continue to grow and evolve.

Thank you for the opportunity to testify, and we respectfully ask the Committee to pass this administration bill.