

STAND. COM. REP. NO.

298

Honolulu, Hawaii

FEB 14 2007

RE: S.B. No. 1399
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred S.B. No. 1399 entitled:

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

begs leave to report as follows:

The purpose of this measure is to amend the Code of Financial
Institutions (Code), chapter 412, Hawaii Revised Statutes (HRS),
to reduce regulatory burden when consumers' interests are not
adversely affected.

This measure also updates the Code to recognize changes in
the industry and make clarifications to the existing law.

Your Committee received testimony in support of this measure
from the Department of Commerce and Consumer Affairs (DCCA).
Testimony in opposition to this measure was received from the
Hawaii Financial Services Association and the Hawaii Bankers
Association.

Your Committee finds that the intent of this measure is to
reduce regulatory burdens by eliminating obsolete requirements and
improving procedures of licensing and regulation of financial
institutions within the State.

Your Committee has amended this measure, based upon an
agreement reached between the DCCA and financial institutions
representatives, to:

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- (1) Delete the addition of new definitions to section 412:3-112(a), Hawaii Revised Statutes, relating to various loan products, found in section 2 of this measure;
- (2) Delete the addition of new definitions of section 412:9-100, Hawaii Revised Statutes, relating to security breaches, found in section 6 of this measure; and
- (3) To make technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1399, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1399, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Affordable
Housing,


BRIAN T. TANIGUCHI, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:* SB 1399	Committee Referral: CPH, JDL	Date: 2-9-07
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The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
IGE, David Y. (VC)				✓
ESPERO, Will	✓			
IHARA, Jr., Les	✓			
SAKAMOTO, Norman				✓
SLOM, Sam	✓			
TOTAL	4	0	0	2

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature:

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