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**From:** Ann T. Yotsuji [ayotsuji@imanakakudo.com]  
**Sent:** Wednesday, January 23, 2008 11:05 AM  
**To:** CPCtestimony  
**Subject:** Testimony - House Committee on Consumer Protection and Commerce

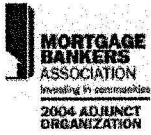
Attached is the transmittal information for the attached testimony:

1. Testifier: Rick Tsujimura, lobbyist for the Mortgage Bankers Association.
2. Committee: House Committee on Consumer Protection and Commerce
3. Hearing: January 24, 2008, 2:00 p.m.
4. Measure Number: HB 2254 Relating to Banks and Financial Institutions
5. Number of copies requested by Committee: 5

<<HB2254.Testimony.pdf>>  
Imanaka Kudo & Fujimoto

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*Mortgage Bankers Association of Hawaii*  
*P.O. Box 4129, Honolulu, Hawaii 96812*

January 23, 2008

The Honorable Robert Herkes, Chair and  
Members of the House Committee on  
Consumer Protection & Commerce  
State Capitol, Room 325  
Honolulu, Hawaii 96813

Re: House Bill 2254 Relating to Banks and Financial Institutions

Dear Chair Herkes and members of the House Committee on Consumer Protection & Commerce:

I am Rick Tsujimura, representing the Mortgage Bankers Association of Hawaii ("MBAH"). The MBAH is a voluntary organization of real estate lenders in Hawaii. Our membership consists of employees of banks, savings institutions, mortgage bankers, mortgage brokers, and other financial institutions. The members of the MBAH originate the vast majority of residential and commercial real estate mortgage loans in Hawaii. When, and if, the MBAH testifies on legislation, it is related only to mortgage lending.

We support this measure and urge its passage.

Thank you for the opportunity to present this testimony.



# HAWAII BANKERS ASSOCIATION

1000 BISHOP ST., SUITE 301B • HONOLULU, HAWAII 96813-4203  
PHONE: (808) 524-5161 • FAX: (808) 521-4120

January 22, 2008

Representative Robert N. Herkes  
Chair, Committee on Consumer Protection & Commerce

Representative Tommy Waters  
Chair, Committee on Judiciary

Sent via email: [CPCTestimony@Capitol.hawaii.gov](mailto:CPCTestimony@Capitol.hawaii.gov)

Re: H.B. 2254 Relating to Banks and Financial Institutions **(In Support)**

Dear Chairs Herkes and Waters:

I am Roy Amemiya, employed by Central Pacific Bank, but testifying on behalf of the Hawaii Bankers Association (HBA) and its member banks.

The HBA supports the intent and purpose of H.B. 2254. The measure prohibits the deceptive use of the name or trademark of a financial institution or its affiliates or subsidiaries, and establishes a fine of \$10,000 for violations.

With increasing frequency, out-of-state lenders are mailing refinance solicitations that prominently list the existing lender in a manner that the recipient is led to erroneously believe that their lender is sending an important notice. In addition to deceptively using the lenders name, the solicitations contain phrases like "Time Sensitive Material" and "Payment Reduction Notice" to get the recipient to read the solicitation material. Only after carefully reading the literature or calling the phone number is it apparent that this is a refinance solicitation from a different lender.

While existing contract law prohibits deceptive trade practices, proving damages on direct mail solicitations is problematic. The proposed fine of \$10,000 would serve to deter these practices.

Thank you for your consideration and for the opportunity to submit testimony.

Sincerely,

Roy K. Amemiya, Jr.

Phone: 535-2555

Email:

[roy.amemiya@centralpacificbank.com](mailto:roy.amemiya@centralpacificbank.com)

# HAWAII FINANCIAL SERVICES ASSOCIATION

c/o Marvin S.C. Dang, Attorney-at-Law

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Honolulu, Hawaii 96812-4109

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January 24, 2008

Rep. Robert N. Herkes, Chair,  
and members of the House Committee on Consumer Protection & Commerce  
Hawaii State Capitol  
Honolulu, Hawaii 96813

Re: **House Bill 2254 (Banks & Financial Institutions)**  
**Hearing Date/Time: Thursday, January 24, 2008, 2:00 P.M.**

I am the attorney for the **Hawaii Financial Services Association** ("HFSA"). The HFSA is the trade association for Hawaii's financial services loan companies.

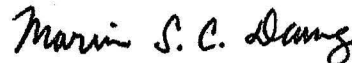
The purpose of this Bill is to prohibit the deceptive use of the name or trademark of a financial institution or its affiliates or subsidiaries, and to establish a civil penalty of up to \$10,000 for each violation.

The HFSA **supports** this Bill. This Bill is necessary to prevent the all too common situation where mortgage loan customers of Hawaii financial services loan companies are deceived by mail solicitations by mainland lenders regarding refinancing that make reference to the name of the Hawaii financial services loan company to wrongly suggest that the Hawaii financial services loan company is the solicitor when in fact it is not. The name of the mainland lender does not appear in the solicitation letter or is in obscure fine print.

This Bill will require that any use of the name or trademark of a financial institution or its affiliates or subsidiaries shall be by written consent by the financial institution or its affiliates or subsidiaries, thereby ensuring the appropriate use of the name or trademark while protecting Hawaii consumers from replying to solicitations under deceptive practices.

The HFSA suggests an amendment to the Bill for clarity. The title of the new section should be changed from "Bank Name Fraud" to "Financial Institution Name Fraud" to more accurately and broadly address the entities the section is intended to protect. "Bank" is too narrow of a term because it would not include "financial services loan companies" or other financial institutions.

Thank you for considering our testimony



MARVIN S.C. DANG

Attorney for Hawaii Financial Services Association

(MSCD/hfsa)

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Members: American General Financial Services of Hawaii, Inc./American International Group • Beneficial Hawaii, Inc./HSBC North America • CitiFinancial, Inc./Citigroup • House of Finance, Inc. • Kauai Island Finance, Inc. • Maui Industrial Loan & Finance Company, Inc. • Safety Loan Company, Ltd. • Wells Fargo Financial Hawaii, Inc./Wells Fargo Financial, Inc.