

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

HB1070 HSCR CPC HMS 2009-2475



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



