



# HAWAII BANKERS ASSOCIATION

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

Presentation to the House Committee on  
Labor & Public Employment  
Tuesday, February 3, 2009, at 8:30AM

## Testimony for HB 31 Relating to Employment Practices

TO: The Honorable Karl Rhoads, Chair  
The Honorable Kyle T. Yamashita, Vice Chair  
Members of the House Committee on Labor & Public Employment

My name is Neal Okabayashi and I testify for the Hawaii Bankers Association in opposition to this measure. In essence, this bill would prohibit the use of a credit report unless the information "directly relates to a bona fide occupational qualification under section 378-3(2)." This proposal flies in the face of federal law which limits the usage of credit reports but specifically permits the usage of credit reports for employment purposes. The ability to have the flexibility to use a credit report for employment purposes is essential for an industry which daily deals with other people's monies and depends on public trust to serve its central role in our economy. It is instructive to focus on section 378-2.5(d)(9) and 378-(9) which exempt banks from state law on using conviction records. This exemption reflects section 19 of the FDIC Act which prohibits banks from hiring any person convicted of a crime of dishonesty, which reflects a policy choice that bank employees must adhere to certain standards regarding the handling of property. Thus, we respectfully ask that this committee hold this bill or in the alternative, exempt insured depository institutions, including credit unions, from the ambit of this law. I would be happy to work with the committee on appropriate language.