

Honolulu, Hawaii
February 19, 2016

RE: H.B. No. 2320

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2320 entitled:

"A BILL FOR AN ACT RELATING TO ESCROW DEPOSITORIES,"

begs leave to report as follows:

The purpose of this measure is to clarify and enhance the escrow depositories law.

Specifically, the measure amends the State's escrow depositories laws by:

- (1) Adding definitions;
- (2) Authorizing the Commissioner of Financial Institutions to enter into agreements with the operators of the licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators;
- (3) Requiring license applications and applications for approval of a proposed change in control of the licensee to include a history of the applicant's material litigation and criminal convictions and to provide the necessary information and authorization for a criminal history background check;



- (4) Establishing fees for an initial issuance of a license and reissuance of a license for a change in the licensee's name; and
- (5) Authorizing the Department of Commerce and Consumer Affairs to conduct criminal history record checks upon applicants for licensure as an escrow depository and for a proposed change in control of an escrow depository license.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that this administration measure will improve the escrow depositories law by clarifying the license transfer provisions, streamlining the licensing process through the use of an online licensing and registration system, and augmenting initial licensure requirements.

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. 2320 and recommends that it pass Second Reading and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



