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

State of Hawaii

House of Representatives
The Twenty-eighth Legislature

HSCR 634-16

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HU 2320	Committee Referral:	Date.	Feb 10.	2016
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)				
2. WOODSON, Justin H. (VC)				
3. BELATTI, Della Au				
4. BROWER, Tom				
5. CREAGAN, Richard P.				
6. HAR, Sharon E.				
7. HASHEM, Mark J.				
8. KAWAKAMI, Derek S.K.			-	
9. LEE, Chris				
10. NAKASHIMA, Mark M.				
11. OSHIRO, Marcus R.				
12. SAN BUENAVENTURA, Joy A.	7			
13. TAKAYAMA, Gregg				
14. YAMANE, Ryan I.				
15. FUKUMOTO CHANG, Beth				
16. McDERMOTT, Bob				
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TOTAL (16)	13	0	0	3
The recommendation is: Adopted If joint referral, committee acronym(s) Adopted did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				