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**PRESENTATION OF THE
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

TO THE HOUSE COMMITTEE ON FINANCE

THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2016

WEDNESDAY, FEBRUARY 24, 2016
2:00 p.m.

**TESTIMONY ON H.B. No. 2319
RELATING TO MONEY TRANSMITTERS**

TO THE HONORABLE SYLVIA LUKE, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Iris Ikeda, Commissioner of Financial Institutions ("Commissioner"),
testifying on behalf of the Department of Commerce and Consumer Affairs in strong
support of this administration bill, H.B. No. 2319.

This bill improves the change in control provision of the Money Transmitters law,
Chapter 489D, Hawaii Revised Statutes ("HRS"), in two ways. First, it expands the
class of persons who may apply for the Commissioner's approval of a change of control
of a money transmitter licensee. Currently, only a licensee may submit such an
application. This is impracticable in hostile takeover situations in which the licensee

may be uncooperative. H.B. No. 2319 would resolve this situation by authorizing the persons requesting approval of change in control of a licensee to submit the application.

Second, the bill would enable the Division of Financial Institutions to conduct criminal background checks on persons who are to assume control of the licensee. This would provide important information for the Commissioner's determination whether, pursuant to Section 489D-15, HRS, the persons requesting approval of the change in control, possess the character, and general fitness to control the licensee lawfully and properly, without jeopardizing the interest of the public. The criminal record check fee, currently about \$51.50 per record, would be paid to the Hawaii Criminal Justice Data Center by the party requesting the change in control.

The bill also updates the name of the federal agency that oversees Regulation E, from the Federal Reserve Board to the Consumer Financial Protection Bureau, to avoid confusion.

DFI strongly supports this administration bill, H.B. No. 2319, and respectfully requests it be passed.

Thank you for this opportunity to testify. I would be pleased to respond to any questions that you may have.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 22, 2016 2:34 PM
To: FINTestimony
Cc: amymonk99@hotmail.com
Subject: *Submitted testimony for HB2319 on Feb 24, 2016 14:00PM*

HB2319

Submitted on: 2/22/2016

Testimony for FIN on Feb 24, 2016 14:00PM in Conference Room 308

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Amy Monk | Individual | Support | No |

Comments:

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