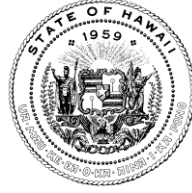


# SB806

Measure Title:	RELATING TO MONEY TRANSMITTERS.
Report Title:	Money Transmitters; Division of Financial Institutions; Compact; Application; Licensing; Credit Report; Personal History; Personal Background
Description:	Amends money transmitter licensure requirements by adding a credit report and extending personal background history from five years to ten years, which will enable the division of financial institutions to join a compact of states that license money transmitters for purposes of efficiency and standardization.
Companion:	<a href="#">HB403</a>
Package:	None
Current Referral:	CPH
Introducer(s):	BAKER, S. CHANG, HARIMOTO, Kanuha



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**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
Senate Committee on Commerce, Consumer Protection, and Health  
Thursday, February 21, 2019  
9:00 a.m.  
State Capitol, Conference Room 229**

**On the following measure:  
S.B. 806, RELATING TO MONEY TRANSMITTERS**

Chair Baker and Members of the Committee:

My name is Iris Ikeda, and I am the Commissioner of Financial Institutions for the Department of Commerce and Consumer Affairs' (Department) Division of Financial Institutions (DFI). The Department supports this bill.

The purpose of this bill is to amend money transmitter licensure requirements by adding a credit report and extending personal background history from five years to ten years.

This bill will enable the DFI to join a compact of states that license money transmitters for purposes of efficiency and standardization. The 21 states currently under the compact have agreed to accept each other's findings on standardized key areas of the licensing process. This collaboration will promote greater efficiency and alleviate the regulatory burden for money transmitters applying for licenses in multiple states.

To align Hawaii's laws with the compact of states with standardized licensing laws, the Department requests the following amendments to this bill:

1. Authorize the Commissioner of Financial Institutions to obtain credit reports on applicants or principals of entity applicants. The Commissioner would be authorized to conduct a financial responsibility review as part of the licensing process.
2. Extend the employment history reporting requirement from five years to ten years. This proposed amendment would align Hawaii's employment history reporting requirement with that of other states in the compact.

Applications for a money transmitter license must be made through the Nationwide Multistate Licensing System (NMLS), the sole nationwide platform that provides for information-sharing among regulators to increase efficiencies for regulatory jurisdictions and to enhance consumer protection.

The Department strongly supports S.B. 806 and requests that the Committee pass this measure unamended to allow for appropriate and necessary changes that will help Hawaii join the compact of states that license money transmitters.

Thank you for the opportunity to testify on this bill.