



DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LT. GOVERNOR

**STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

335 MERCHANT STREET, ROOM 310  
P.O. BOX 541  
HONOLULU, HAWAII 96809  
Phone Number: 586-2850  
Fax Number: 586-2856  
cca.hawaii.gov

CATHERINE P. AWAKUNI COLÓN  
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

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

**Before the  
House Committee on Judiciary and Hawaiian Affairs  
Thursday, February 24, 2022  
2:00 p.m.  
Via Videoconference**

**On the following measure:  
H.B. 2113, H.D. 1, RELATING TO MONEY TRANSMITTERS**

Chair Nakashima and Members of the Committee:

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

The purpose of this bill is to minimize regulatory burden and eliminate redundancy by permitting money transmitter applicants to submit either a state or federal criminal background check, rather than both.

Currently, each key individual of a money transmitter must submit to both a state and federal criminal background review.

This bill allows the applicant to only submit to a federal or state criminal background review. The majority of the states only require a federal criminal history background review since states are reporters to the national criminal history background database. Hawaii became a reporter to the national criminal history background database about seven years ago. Since learning that the state was a reporter to the national database, the Division has reviewed parallel state and federal criminal history

background reviews and has not found discrepancies on disqualifying crimes. The Department would like to streamline the process for applicants.

The NMLS is the sole nationwide platform that provides information-sharing among state regulators to increase efficiencies for supervision and to enhance consumer protection. This cloud-based system gives state agencies access to up-to-date criminal history records from the national database and helps to ensure that persons in a position of trust meet established standards to protect consumers and businesses.

Thank you for the opportunity to testify, and we respectfully ask the Committee to pass this administration bill.