



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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Testimony of the Department of Commerce and Consumer Affairs

Before the
House Committee on Consumer Protection and Commerce
Thursday, February 2, 2023
2:00 p.m.
Via Videoconference

On the following measure:
H.B. 642, RELATING TO CONSUMER PROTECTION

Chair Nakashima and Members of the Committee:

My name is Iris Ikeda, and I am the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs' (Department or DCCA) [DFI]. The Department offers comments on this bill.

The purpose of this bill requires check cashers to report suspected financial exploitation of elders and vulnerable adults in relation to check cashing; provides immunity for good faith reporting; authorizes a check casher to refuse to cash a check in situations of suspected financial exploitation.

The DFI defers to the Office of Consumer Protection (OCP), DCCA on this matter as Chapter 480F, Hawaii Revised Statutes (HRS), is under the purview of OCP's oversight. DFI limits its comments to Section 3, page 6 relating to the exemption to the current exemptions in section 480F-5, HRS as it is duplicative of state and federal oversight. It appears that the proposed exemption would eliminate the exemption for our banks regulated through Chapter 412, HRS to the check casher law. Banks are

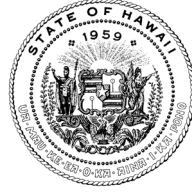
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heavily regulated by DFI and the federal banking agencies to make sure the banks are providing products and services to consumers in a safe and sound manner and conducting transactions with regulatory compliance. Consequently, the provisions for check cashing would be covered by our ongoing supervision or with the regular examinations.

Thank you for the opportunity to provide comments on this bill.



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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Consumer Protection and Commerce
Thursday, February 2, 2023
2:00 PM
State Capitol, Conference Room 329**

**On the following measure:
H.B. 642, RELATING TO CONSUMER PROTECTION**

Chair Nakashima and Members of the Committee:

My name is Mana Moriarty, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection. The Department appreciates the intent and offers comments of this bill.

The purposes of this bill are to: (1) require check cashiers to report suspected financial exploitation of elders and vulnerable adults in relation to check cashing; (2) provide immunity for good faith reporting; and (3) authorize a check casher to refuse to cash a check in situations of suspected financial exploitation.

The intent of this bill is to combat cases of financial abuse of elders and vulnerable adults. Existing laws require mandatory reporting of financial abuse by financial institutions, see HRS 412:3-114.5, and of financial exploitation by investment brokers, among others, see HRS 485A-802. It is unclear whether data collected pursuant to these mandatory reporting requirements has been used to combat financial abuse of elders and vulnerable adults. While we applaud efforts to combat financial

Testimony of DCCA

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abuse of elders and vulnerable adults, whether mandatory reporting requirements help to combat occurrences of financial abuse appears to be largely unstudied.

Thank you for the opportunity to testify on this bill.

HB-642

Submitted on: 1/31/2023 2:42:18 PM

Testimony for CPC on 2/2/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
lynne matusow	Individual	Support	Written Testimony Only

Comments:

I am in full support of this bill. One day, all of us will be subject to schemes which aim to defraud the elderly. I know someone in their 90s who is losing their faculties and could easily become subject to this. Please pass this bill.

HB-642

Submitted on: 1/31/2023 9:26:35 PM

Testimony for CPC on 2/2/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Please support HB642.