

ACT 107

H.B. NO. 1070

A Bill for an Act Relating to the Code of Financial Institutions.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 412:3-507, Hawaii Revised Statutes, is amended to read as follows:

“§412:3-507 Closing branch or agency; temporary closures[-] and relocations. (a) A Hawaii financial institution shall give the commissioner prior notice of its intent to close any branch or agency at least thirty days prior to the closing. The notice shall specify ~~[the]~~:

- (1) The intended date of closing~~[-, the]~~;
- (2) The reasons for the closing~~[-]~~; and ~~[a]~~
- (3) A certification by the secretary or other authorized officer of the institution that the decision to close was duly approved by its board of directors.

This notice may be satisfied by ~~[delivery]~~ providing to the commissioner ~~[of]~~ a copy of any notice pertaining to the closure given to the financial institution's appropriate federal regulatory agency.

(b) A Hawaii financial institution may temporarily close or relocate a branch or agency ~~[in the event of an emergency]~~ for a period of time up to one hundred eighty days, or a longer time period as determined necessary by the commissioner~~[-]~~ in the event of an emergency or for other good cause. For purposes of this section, an emergency means a situation of an unusual or compelling urgency that creates a threat to life, public health, welfare, or safety by reason of major natural disaster, epidemic, riot, fire, or other reason as determined by the commissioner. Written notice of a temporary closure or relocation

shall be provided to the commissioner ~~[upon closure]~~ and to the Hawaii financial institution's customers as soon as practicable, and ~~[notice shall be provided to the Hawaii financial institution's customers in the form of a sign posted at the primary public entrance of the branch or agency. The written notices]~~ shall state ~~[the]~~:

- (1) The reasons for the temporary closure[;] or relocation; [the]
- (2) The expected date of reopening[;]; and [information]
- (3) Information regarding where and how customers of the closed or relocated branch or agency will be accommodated during the temporary closure[-] or relocation.

The notice provided to the Hawaii financial institution's customers shall be in the form of a sign posted in a safe, conspicuous location on or in proximity to the primary public entrance of the branch or agency that has been or will be temporarily closed or relocated. Notice of the reopening of the branch or agency that was temporarily closed or relocated shall be provided to the commissioner within five days of the reopening. Written notice to the commissioner of temporary closure and subsequent reopening of a branch or agency shall not be required when the Hawaii financial institution reopens at that location within two business days."

SECTION 2. Section 412:5-305, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) To the extent specified herein, a bank may invest its own assets in ~~[securities and obligations of]~~:

- (1) ~~[The] Securities and obligations of the United States government~~ and any agency of the United States government whose debt obligations are fully and explicitly guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States, including without limitation Federal Reserve Banks, the Government National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the United States Department of Agriculture, the Export-Import Bank, the Overseas Private Investment Corporation, the Commodity Credit Corporation, and the Small Business Administration;
- (2) Bonds, notes, mortgage backed securities, and other debt obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks;
- ~~[(2)]~~ (3) Securities and obligations of United States government-sponsored agencies which are originally established or chartered by the United States government to serve public purposes specified by the Congress but whose debt obligations are not explicitly guaranteed by the full faith and credit of the United States, including without limitation Banks for Cooperatives, Federal Agricultural Mortgage Corporation, Federal Farm Credit Banks, ~~[Federal Home Loan Banks, Federal Home Loan Mortgage Corporation,]~~ Federal Intermediate Credit Banks, Federal Land Banks, ~~[Federal National Mortgage Association,]~~ Financing Corporation, Resolution Funding Corporation, Student Loan Marketing Association, Tennessee Valley Authority, ~~[and] the United States Postal Service[;], and securities and obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks that are not bonds, notes, mortgage backed securities, or other debt obligations of the Federal Home Loan Mort-~~

- gage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks; provided that the total amount invested in obligations of any one issuer shall not exceed twenty per cent of the bank's capital and surplus; and
- (3) ~~Quasi-United~~ (4) Securities and obligations of quasi-United States governmental institutions, including without limitation the International Bank for Reconstruction and Development (World Bank), the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the European Investment Bank, and other multilateral lending institutions or regional development institutions in which the United States government is a shareholder or contributing member; provided that the total amount invested in obligations of any one issuer shall not exceed twenty per cent of the bank's capital and surplus."

SECTION 3. Section 412:6-306, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) To the extent specified herein, a savings bank may invest its own assets in ~~[securities and obligations of]~~:

- (1) ~~[The]~~ Securities and obligations of the United States government and any agency of the United States government whose debt obligations are fully and explicitly guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States, including without limitation Federal Reserve Banks, the Government National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the United States Department of Agriculture, the Export-Import Bank, the Overseas Private Investment Corporation, the Commodity Credit Corporation, and the Small Business Administration;
- (2) Bonds, notes, mortgage backed securities, and other debt obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks;
- (3) Securities and obligations of United States government-sponsored agencies which are originally established or chartered by the United States government to serve public purposes specified by the Congress but whose debt obligations are not explicitly guaranteed by the full faith and credit of the United States, including without limitation Banks for Cooperatives, Federal Agricultural Mortgage Corporation, Federal Farm Credit Banks, ~~[Federal Home Loan Banks, Federal Home Loan Mortgage Corporation,]~~ Federal Intermediate Credit Banks, Federal Land Banks, ~~[Federal National Mortgage Association,]~~ Financing Corporation, Resolution Funding Corporation, Student Loan Marketing Association, Tennessee Valley Authority, ~~[and]~~ the United States Postal Service~~;~~, and securities and obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks that are not bonds, notes, mortgage backed securities, or other debt obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks; provided that the total amount invested in obligations of any one issuer shall not exceed twenty per cent of the bank's capital and surplus; and

- [~~(3)~~] ~~Quasi-United] (4) Securities and obligations of quasi-United States governmental institutions, including without limitation the International Bank for Reconstruction and Development (World Bank), the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the European Investment Bank, and other multilateral lending institutions or regional development institutions in which the United States government is a shareholder or contributing member; provided that the total amount invested in obligations of any one issuer shall not exceed twenty per cent of the bank's capital and surplus."~~

SECTION 4. Section 412:7-306, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) To the extent specified herein, a savings and loan association may invest its own assets in ~~[securities and obligations of]~~:

- (1) ~~[The] Securities and obligations of the United States government and any agency of the United States government whose debt obligations are fully and explicitly guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States, including without limitation Federal Reserve Banks, the Government National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the United States Department of Agriculture, the Export-Import Bank, the Overseas Private Investment Corporation, the Commodity Credit Corporation, and the Small Business Administration;~~

- (2) ~~Bonds, notes, mortgage backed securities, and other debt obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks;~~

- [~~(2)~~] (3) ~~Securities and obligations of United States government-sponsored agencies which are originally established or chartered by the United States government to serve public purposes specified by the Congress but whose debt obligations are not explicitly guaranteed by the full faith and credit of the United States, including without limitation Banks for Cooperatives, Federal Agricultural Mortgage Corporation, Federal Farm Credit Banks, [Federal Home Loan Banks, Federal Home Loan Mortgage Corporation,] Federal Intermediate Credit Banks, Federal Land Banks, [Federal National Mortgage Association,] Financing Corporation, Resolution Funding Corporation, Student Loan Marketing Association, Tennessee Valley Authority, [and] the United States Postal Service[s], and securities and obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks that are not bonds, notes, mortgage backed securities, or other debt obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks; provided that the total amount invested in obligations of any one issuer shall not exceed twenty per cent of the savings and loan association's capital and surplus; and~~

- [~~(3)~~] ~~Quasi-United] (4) Securities and obligations of quasi-United States governmental institutions, including without limitation the International Bank for Reconstruction and Development (World Bank), the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the European Investment Bank,~~

and other multilateral lending institutions or regional development institutions in which the United States government is a shareholder or contributing member; provided that the total amount invested in obligations of any one issuer shall not exceed twenty per cent of the savings and loan association's capital and surplus."

SECTION 5. Section 412:8-301, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) To the extent specified herein, a trust company may invest its own assets in ~~[securities and obligations of]~~:

- (1) ~~[The] Securities and obligations of~~ the United States government and any agency of the United States government whose debt obligations are fully and explicitly guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States, including without limitation Federal Reserve Banks, the Government National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the United States Department of Agriculture, the Export-Import Bank, the Overseas Private Investment Corporation, the Commodity Credit Corporation, and the Small Business Administration;
- (2) ~~Bonds, notes, mortgage backed securities, and other debt obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks;~~
- (3) ~~Securities and obligations of~~ United States government-sponsored agencies which are originally established or chartered by the United States government to serve public purposes specified by the Congress but whose debt obligations are not explicitly guaranteed by the full faith and credit of the United States, including without limitation Banks for Cooperatives, Federal Agricultural Mortgage Corporation, Federal Farm Credit Banks, ~~[Federal Home Loan Banks, Federal Home Loan Mortgage Corporation,]~~ Federal Intermediate Credit Banks, Federal Land Banks, ~~[Federal National Mortgage Association,]~~ Financing Corporation, Resolution Funding Corporation, Student Loan Marketing Association, Tennessee Valley Authority, ~~[and] the United States Postal Service[;], and securities and obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks that are not bonds, notes, mortgage backed securities, or other debt obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks; provided that the total amount invested in obligations of any one issuer shall not exceed twenty per cent of the trust company's capital and surplus; and~~
- (4) ~~Quasi-United~~ (4) ~~Securities and obligations of quasi-United~~ States governmental institutions, including without limitation the International Bank for Reconstruction and Development (World Bank), the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the European Investment Bank, and other multilateral lending institutions or regional development institutions in which the United States government is a shareholder or contributing member; provided that the total amount invested in obligations of any one issuer shall not exceed twenty per cent of the trust company's capital and surplus."

SECTION 6. Section 412:9-409, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) To the extent specified in this subsection, a depository financial services loan company may invest its own assets in ~~[securities and obligations of]~~:

- (1) ~~[The]~~ Securities and obligations of the United States government and any agency of the United States government whose debt obligations are fully and explicitly guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States, including without limitation Federal Reserve Banks, the Government National Mortgage Association, the Department of Veterans Affairs, the Federal Housing Administration, the United States Department of Agriculture, the Export-Import Bank, the Overseas Private Investment Corporation, the Commodity Credit Corporation, and the Small Business Administration;
- (2) Bonds, notes, mortgage backed securities, and other debt obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks;
- ~~[(2)]~~ (3) Securities and obligations of United States government-sponsored agencies which are originally established or chartered by the United States government to serve public purposes specified by the Congress but whose debt obligations are not explicitly guaranteed by the full faith and credit of the United States, including without limitation Banks for Cooperatives, the Federal Agricultural Mortgage Corporation, Federal Farm Credit Banks, ~~[Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation,]~~ Federal Intermediate Credit Banks, Federal Land Banks, ~~[the Federal National Mortgage Association,]~~ the Financing Corporation, the Resolution Funding Corporation, the Student Loan Marketing Association, the Tennessee Valley Authority, ~~[and]~~ the United States Postal Service~~;~~, and securities and obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks that are not bonds, notes, mortgage backed securities, or other debt obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks; provided that the total amount invested in obligations of any one issuer shall not exceed twenty per cent of the depository financial services loan company’s capital and surplus; and
- ~~[(3)]~~ ~~Quasi-United~~ (4) Securities and obligations of quasi-United States governmental institutions, including without limitation the International Bank for Reconstruction and Development (World Bank), the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the European Investment Bank, and other multilateral lending institutions in which the United States government is a shareholder or contributing member; provided that the total amount invested in any one issuer shall not exceed twenty per cent of the depository financial services loan company’s capital and surplus.”

SECTION 7. Section 412:10-502, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) To the extent specified herein, a credit union may invest its own assets in ~~[securities and obligations of]~~:

- (1) ~~[The] Securities and obligations of the United States government and any agency of the United States government whose debt obligations are fully and explicitly guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States, including without limitation Federal Reserve Banks, the Government National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the United States Department of Agriculture, the Export-Import Bank, the Overseas Private Investment Corporation, the Commodity Credit Corporation, and the Small Business Administration;~~
- (2) Bonds, notes, mortgage backed securities, and other debt obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks;
- ~~(2)~~ (3) Securities and obligations of United States government-sponsored agencies[;] which are originally established or chartered by the United States government to serve public purposes specified by the Congress but whose debt obligations are not explicitly guaranteed by the full faith and credit of the United States, including without limitation Banks for Cooperatives, Federal Agricultural Mortgage Corporation, Federal Farm Credit Banks, [Federal Home Loan Banks, Federal Home Loan Mortgage Corporation,] Federal Intermediate Credit Banks, Federal Land Banks, [Federal National Mortgage Association,] Resolution Funding Corporation, Student Loan Marketing Association, Tennessee Valley Authority, [and] the United States Postal Service[;], and securities and obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks that are not bonds, notes, mortgage backed securities, or other debt obligations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Home Loan Banks; provided that the total amount invested in obligations of any one issuer shall not exceed ten per cent of the credit union's capital; and
- ~~(3)~~ (4) Quasi-United] Securities and obligations of quasi-United States governmental institutions, including without limitation the International Bank for Reconstruction and Development (World Bank), the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the European Investment Bank, and other multilateral lending institutions or regional development institutions in which the United States government is a shareholder or contributing member; provided that the total amount invested in any one issuer shall not exceed ten per cent of the credit union's capital."

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 9. This Act shall take effect upon its approval.

(Approved June 10, 2009.)

Note

1. Prior to amendment "savings" appeared here.