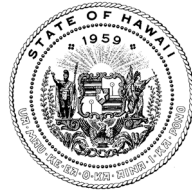


DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR



IRIS IKEDA
COMMISSIONER
TARA L. MURPHY
DEPUTY COMMISSIONER

CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

STATE OF HAWAII
DIVISION OF FINANCIAL INSTITUTIONS
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 221, HONOLULU, HAWAII 96813
P.O. BOX 2054, HONOLULU, HAWAII 96805

Phone: (808) 586-2820
Fax: (808) 586-2818
E-Mail: dfi@dcca.hawaii.gov

COMMISSIONER'S FINDINGS AND ORDER REGARDING REDUCTION IN FEES FOR:
STATE CHARTERED BANKS,

In accordance with Haw. Rev. Stat. §412:2-105.2, 412:2-100, and 412:2-100.5 the Commissioner of Financial Institutions hereby makes the following findings:

- 1) As of June 30, 2019, the Compliance Resolution Fund for the Division of Financial Institutions ("DFI") has a projected ending balance of \$10,794,204, which is approximately 22 months in reserves. DFI has determined that it needs a reserve amount of 18 months in order to weather license fluctuations due to the economic cycle and to maintain services to consumers, licensees, and applicants.
- 2) Act 29, Session Laws Hawaii 2019, amended certain special fund ceilings and provided for suspension of fees if the ceiling is exceeded. DFI's special funds were included as one of the funds to be affected.
- 3) Hawaii Revised Statutes Section 92-28 allows for the governor to increase or decrease fees or nontax revenues assessed or charged by any governmental agency.
- 4) DFI determined that if it ceased collecting all fees, it would deplete the reserve amount to approximately 13.9 months, and DFI would not be able to provide services at the same level it does today in FY2021.
- 5) DFI receives approximately half its revenues by December 31 of each calendar year.
- 6) Accordingly, DFI determined that it should stay collection of 50% of the annual assessments of its state-chartered financial institutions chartered by HRS Chapter 412 for FY2020. DFI projected that at the end of FY2020 its reserve amount will be 18.1 months, and at the end of FY2021, its reserve amount will be 17.1 months.

Accordingly, the Commissioner ORDERS as follows:

- 1) Stay the collection of 50% of assessments from state chartered financial institutions chartered by HRS Chapter 412 for Fiscal Year 2020 pursuant to HRS Section 412:2-105.2, 412:2-100, and 412:2-100.5 HRS.

- 2) The collection of the fees in accordance with HRS Sections 412:105.2 from all new applicants and licensees shall continue.

DATED Sep 6, 2019

SO ORDERED

iris ikeda

IRIS IKEDA
COMMISSIONER OF FINANCIAL INSTITUTIONS