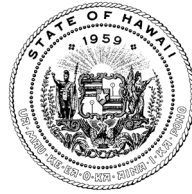


DAVID Y. IGE
GOVERNOR

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

VIA EMAIL ONLY

DATE: July 2, 2020

TO: Licensed Financial Institutions

FROM: Iris Ikeda, Commissioner //
Division of Financial Institutions (“DFI”)

RE: Interim Regulatory Guidance – Reduction in Branch Office Hours
Supplemental Guidance

Purpose

On March 4, 2020, Governor David Ige proclaimed an Emergency Period regarding concerns over the COVID-19 outbreak. Because of the recently confirmed cases in the State, all Financial Institutions, Escrow Depositories, Money Transmitters, Mortgage Loan Originators, Mortgage Loan Originator Companies, and Mortgage Servicers must ensure that they follow all guidance issued by the respective government Health Departments in the locality in which they conduct business activities.

The March 17, 2020 Interim Guidance issued by the Commissioner of Financial Institutions was effective through June 30, 2020, but was also subject to change or withdrawal. Pursuant to the Ninth Supplementary Proclamation Related to the COVID-19 Emergency issued on June 10, 2020, which extended the emergency disaster relief period to July 31, 2020, this Interim Guidance is extended to July 31, 2020. Contact the Division of Financial Institutions at dfi@dcca.hawaii.gov or (808) 586-2820 with any questions.

DFI’s Interim Guidance

This Interim Guidance expresses the Division’s intent to temporarily allow Companies licensed by DFI with physical locations in the State of Hawaii to reduce office hours or temporarily close offices during this Emergency Period.

Banking transactions such as accepting deposits or payments, check cashing and the like should occur at any licensed location.

This Interim Guidance does not amend Chapter 412, 449, 454F, 454M or 489D, Hawaii Revised Statutes (“HRS”). All other provisions of these Chapters remain in place. Any federal law in contradiction to this Interim Guidance is preemptive.

Financial Institutions

Section 412:3, 507(b), HRS, allows for a Hawaii financial institution to temporarily close or relocate a branch or agency office in the event of an emergency or for other good cause.

Notice of a temporary closure or relocation shall be provided to the Commissioner and to Hawaii financial institution’s customers as soon as practicable. A reduction in branch hours will be considered a temporary closure during this Emergency Period.

Escrow Depositories

Chapter 449, HRS, does not provide for temporary branch closures or relocations, however, DFI will allow an Escrow Depository to temporary close, relocate or reduce its hours of operations during this Emergency Period.

The Escrow Depository must provide notice of a temporary closure or relocation to the Commissioner and to its customers as soon as practicable.

Mortgage Loan Originators and Mortgage Loan Originator Companies

Chapter 454F, Hawaii Revised Statutes, does not restrict a licensed MLO from working at locations necessary to conduct lawful business. This practice may continue. However, we remind all MLOs and MLOCs that such locations cannot be held out as a branch office of the MLOC.

If a MLOC Branch will not be opened during normal business hours, the Branch Manager must post signage at the branch office indicating the temporary closure of the branch and a method by which a consumer may contact the Branch Manager. A courtesy notification to DFI will be appreciated.

Mortgage Servicers

Hawaii’s Mortgage Servicer law, Chapter 454M, HRS, does not address the temporary closure of Hawaii branch offices. If you will not be holding normal business hours, a courtesy notification to the Commissioner is appreciated.

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Money Transmitters

Hawaii's Money Transmitter law, Chapter 489D, HRS does not address the temporary closure of Hawaii branch offices. If you will not be holding normal business hours, a courtesy notification to the Commissioner is appreciated.

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