



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SEVENTH LEGISLATURE, 2013**

ON THE FOLLOWING MEASURE:

H.B. NO. 1343, RELATING TO DEBT COLLECTION.

BEFORE THE:

HOUSE COMMITTEES ON CONSUMER PROTECTION AND COMMERCE
AND ON JUDICIARY

DATE: Monday, February 11, 2013 **TIME:** 2:30 p.m.

LOCATION: State Capitol, Room 325

TESTIFIER(S): David M. Louie, Attorney General, or
Michael S. Vincent, Deputy Attorney General

Chairs McKelvey, Kawakami, Rhoads, and Har and Members of the Committees:

The Department of the Attorney General (the "Department") does not support this bill.

The Department does not currently have the necessary staff, funding, or resources to handle the thousands of loans for the State.

This bill would require all loans made by all executive departments to be transferred to the Attorney General for servicing regardless of the status. The servicing of state loans is done at the agency level, and tends to involve regular interaction with the borrower, updates, and periodic maintenance related activities. The role of the Attorney General is the collection of delinquent loans and accounts. Our Department is always looking at ways to help state agencies make timely referrals of delinquent accounts and is exploring options for agencies to efficiently manage existing loans, leases, and accounts.

If the intent of this bill is to address delinquent loans, we suggest the Legislature pass House Bill No. 1342 with the suggested amendments that would provide a sound mechanism to assist the Attorney General in the collection of outstanding debts.

NEIL ABERCROMBIE
Governor



RUSSELL S. KOKUBUN
Chairperson, Board of Agriculture

SCOTT E. ENRIGHT
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512

**TESTIMONY OF RUSSELL S. KOKUBUN
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
COMMITTEE ON JUDICIARY
MONDAY, FEBRUARY 11, 2013
2:30 P.M.
CONFERENCE ROOM 325**

**HOUSE BILL NO. 1343
RELATING TO DEBT COLLECTION**

Chairpersons McKelvey, Rhoads and Members of the Committee:

Thank you for the opportunity to comment on HB 1343. The Department of Agriculture opposes this bill.

The bill requires the Attorney General to service loans. The department is concerned as this will adversely affect the farming community. Servicing of loans requires specialized knowledge and financial expertise to analyze financial statements and requests such as loan extensions, term modifications, releases of collateral etc. In addition, loan servicing requires regular inspections to verify operation and inspect collateral. With all due respect, the Attorney General lacks the agricultural expertise to properly carry out the responsibilities required of the Department's Agricultural Loan Division.

The Department's agricultural loan program provides financial assistance to farmers, ranchers and the aquaculture industries. Loan officers need to work closely with farmers to understand their personal financial situation, their crops and farm issues. Loan officers experienced in agriculture are able to identify potential problems with an array of crops and farm related issues and help to resolve them before they result in delinquency. The program's loan officers also are able to counsel the farmers and provide them with additional resources and contacts in the agriculture field that may be able to assist them. The proper servicing of loans is required to help the farmers and to increase the chances of loan repayment.

Thank you for the opportunity to testify on this measure.

kawakami2 - Rise

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 07, 2013 8:23 PM
To: CPCtestimony
Cc: tabraham08@gmail.com
Subject: *Submitted testimony for HB1343 on Feb 11, 2013 14:30PM*

HB1343

Submitted on: 2/7/2013

Testimony for CPC/JUD on Feb 11, 2013 14:30PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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