

LATE TESTIMONY



Faith Action for Community Equity

February 29, 2012

TESTIMONY IN SUPPORT OF HB 2103, HB 1033 AND HB1840

FACE strongly supports a State Bank for Hawaii. When the State Bank bill was deferred last session, several legislators and organizations continued to investigate the State Bank structure and how it could benefit Hawaii. We are now even more convinced that a State Bank is a good project to help create jobs, address foreclosure and affordable housing and aid small business.

A State Bank would allow Hawaii to pool public funds and invest those funds using many of the tools of private banks. A State Bank would also allow profits to stay in Hawaii instead of flowing offshore to Wall Street and private investors. A State Bank should be specifically designed NOT to compete with local banks for customers or other services.

As you may already know, North Dakota has had a State Bank for over 100 years. By all measures, this bank has been very successful, helped their state weather the economic crisis of the last few years, and had created jobs in their state. North Dakota's State Bank has also provided much needed credit and capital to small businesses, farms, and affordable housing developers to help their state reach its potential. In fact, the North Dakota model has been so successful that their State Bank now capitalizes a \$100 bank account for every child born in their state.

Kentucky has also started a Green Bank, which operates much like the North Dakota model, but concentrates its business on green jobs and energy. A total of 17 states are considering State Bank legislation this year.

Thank you for your time.

Kim Harman
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FACE Hawaii