

Honolulu, Hawaii

APR 25 2025

RE: S.B. No. 1367
S.D. 1
H.D. 1
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1367, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSTALLMENT LOANS,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Make clarifying amendments to the laws governing installment loans by:
 - (A) Replacing defined terms for consistency throughout the installment loan chapter;
 - (B) Requiring lenders to prorate maintenance fees on a daily basis;



- (C) Allowing lenders to charge a \$1 convenience fee for debit card payments;
- (D) Requiring paper receipts only for cash or in-person payments and removing the requirement that written receipts contain the consumer's name; and
- (E) Repealing the three-day waiting period between installment loans; and

(2) Sunset on June 30, 2028.

Your Committee on Conference finds that existing law has enabled installment lenders writing loan contracts to fully capture the maximum monthly maintenance fees even if the lender provides service for only a portion of the month. This measure requires lenders to prorate the monthly maintenance fees daily.

Your Committee on Conference further finds that existing law also requires lenders to wait three days after a consumer has fully repaid a previous installment loan before issuing a new one. Although the original intent of the three-day waiting period was to prevent borrowers from falling into a continuous cycle of debt by repaying the loan and borrowing again on the same day, unlike payday loans, installment loans are gradually paid down through a series of payments. Repealing the three-day waiting period will allow consumers on the neighbor islands, which only have access to one or two lenders, to have more access to financial services.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2025;
- (2) Extending the sunset date to June 30, 2030; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

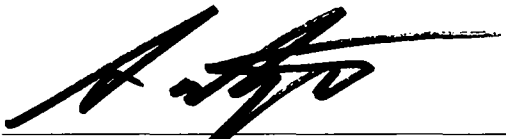
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1367, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1367, S.D. 1, H.D. 1, C.D. 1.




Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



SCOT Z. MATAYOSHI
Co-Chair



CAROL FUKUNAGA
Chair



JENNA TAKENOCHI
Co-Chair




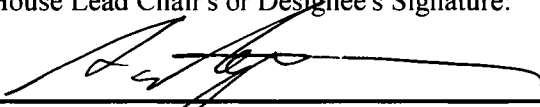
HERBERT M. RICHARDS, III
Co-Chair



Hawai'i State Legislature

Record of Votes of a
Conference Committee

CCR 148

Bill / Concurrent Resolution No.: SB 1367, SD 1, HD 1					Date/Time: 4/25/25 1:40 PM				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
FUKUNAGA, Carol, Chr.	✓				MATAYOSHI, Scot Z., Co-Chr.	✓			
RICHARDS, III, Herbert M. "Tim", Co-Chr.	✓				TAKENOUCHI, Jenna, Co-Chr.	✓			
AWA, Brenton				✓	PIERICK, Elijah	✓			
TOTAL	2			1	TOTAL	3			
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is:					House Recommendation is:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature:					House Lead Chair's or Designee's Signature:				
									
Distribution: Original					Yellow Pink Goldenrod				
File with Conference Committee Report					House Clerk's Office Senate Clerk's Office Drafting Agency				