

STAND. COM. REP. NO.

1068

Honolulu, Hawaii

MAR 1 - 2019

RE: S.B. No. 537
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 537, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION,"

begs leave to report as follows:

The purpose and intent of this measure is to repeal and replace requirements applicable to deferred deposit transactions with requirements applicable to small dollar loan transactions, and to require licensing for small dollar lenders.

This measure also appropriates funds out of the compliance resolution fund for two full-time equivalent examiners for the small dollar installment loan program.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs, Division of Financial Institutions; Hawaiian Community Assets; Catholic Charities Hawaii; Hawaii Appleseed Center for Law and Economic Justice; and three individuals.

Your Committee received written comments in opposition to this measure from the Money Service Centers of Hawaii, Inc., and Maui Loan Inc.

Your Committee received written comments on this measure from the Office of Information Practices.



Your Committee finds that this measure will encourage transparency and increase consumer protection in the payday lending industry.

Your Committee has amended this measure by:

- (1) Changing the appropriation out of the compliance resolution fund to an unspecified amount;
- (2) Making numerous technical corrections, including:
 - (A) Adjusting cross-references to other provisions in the measure and to existing laws;
 - (B) Completing the definition of "NMLS";
 - (C) Providing consistency between the preamble and the operative provisions of the measure with regard to the use of terms such as "nonrefundable initial application fee", "monthly maintenance fee", and "renewing the loan"; and
 - (D) Deleting language in the preamble relating to two-week time periods with regard to loan renewals and early repayments, since these time periods are not reflected in the operative provisions of the measure;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 537, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 537, S.D. 2.



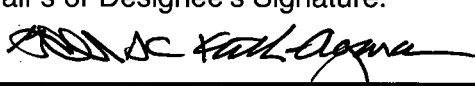
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 537, SDI	Committee Referral: CPH, WAM	Date: 2/21/19 CPH, WAM		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani				X
HARIMOTO, Breene				X
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X GA			X
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil				X
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
FEVELLA, Kurt	X			
TOTAL	9			4
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes