

Honolulu, Hawaii

FEB 28 2020

RE: S.B. No. 2587
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2587 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 strengthen regulation over the payday lending industry by:

- (1) Establishing requirements for small dollar installment loans;
- (2) Requiring a person to be licensed in order to act as a small dollar lender;
- (3) Appropriating funds for the Division of Financial Institutions of the Department of Commerce and Consumer Affairs to hire examiners to carry out the purposes of the small dollar installment loan program;
- (4) Requiring a person to be registered in order to conduct business as a check casher; and
- (5) Requiring the Division of Financial Institutions of the Department of Commerce and Consumer Affairs to conduct an analysis of the regulation of payday lenders and deferred deposit agreements.



Your Committee received written comments in support of this measure from one individual.

Your Committee received written comments on this measure from the Division of Financial Institutions, Department of Commerce and Consumer Affairs.

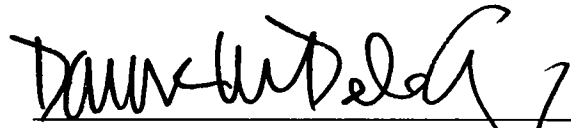
Your Committee finds that this measure will close loopholes in the present laws that have allowed payday lenders to charge excessive interest rates, which in turn create a vicious cycle of dependency and debt among the State's most vulnerable individuals and families.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) 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. 2587, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2587, S.D. 1.

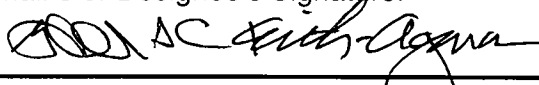
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


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 2587	Committee Referral: CPH, WAM	Date: 02/20/20		
<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
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