
A BILL FOR AN ACT

RELATING TO INTEREST.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 478, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "~~§478-~~ **Loans for vehicles.** (a) Notwithstanding any
5 other law to the contrary, consumers purchasing a vehicle for
6 the first time are protected from usury according to the
7 limitations imposed under this section.

8 (b) No consumer purchasing a vehicle for the first time
9 shall be subject to an interest rate above two per cent a year,
10 provided that:

11 (1) Consumers purchasing a vehicle for the first time with
12 a credit score of six hundred or more shall be
13 eligible for a zero per cent interest rate loan; and

14 (2) Consumers purchasing a vehicle for the first time with
15 a credit score below six hundred shall not be subject
16 to an interest rate above two per cent a year.



1 (c) Consumers purchasing a vehicle for the first time at a
2 greater rate of interest than permitted in this section are
3 entitled to the redress available for usury outlined in this
4 chapter."

5 SECTION 2. This Act does not affect rights and duties that
6 matured, penalties that were incurred, and proceedings that were
7 begun before its effective date.

8 SECTION 3. New statutory material is underscored.

9 SECTION 4. This Act shall take effect on January 1, 2026.

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INTRODUCED BY: 
JAN 16 2025



H.B. NO. 262

Report Title:

Interest Rate; Usury; Vehicle; Loan; Consumer Protection

Description:

Protects consumers, who are purchasing their first vehicle, from predatory interest rates by setting a maximum interest rate of two per cent for consumers with a credit score below six hundred and zero per cent for consumers with a credit score of six hundred or more. Authorizes existing avenues of redress from usury under chapter 478 to apply to this Act.

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