
A BILL FOR AN ACT

RELATING TO INTEREST.

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

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

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

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

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

(2) Consumers purchasing a vehicle for the first time with a credit score below six hundred shall not be subject 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.

10 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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