

JAN 28 2026

A BILL FOR AN ACT

RELATING TO CONSUMER DEBT COLLECTION PRACTICES.

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

1 SECTION 1. The legislature finds that lawsuits related to
2 consumer debt collection are overwhelmingly skewed in favor of
3 the plaintiffs who are suing to recover the debt. Many of the
4 lawsuits are initiated by large debt collector agencies or debt
5 buyers. Plaintiffs are almost always represented by lawyers
6 familiar with the debt collection process, and defendants rarely
7 have a lawyer to represent them. This imbalance can greatly
8 disadvantage defendants, who are often unfamiliar with the laws
9 governing their claims, and who may unknowingly forfeit valid
10 defenses. Further, many defendants do not respond to debt
11 collection lawsuits, and some defendants never even realize they
12 had been sued until after a judgment has been entered against
13 them, resulting in wage garnishment or seizure of their
14 property.

15 Accordingly, the purpose of this Act is to help protect
16 consumers and increase fairness in consumer debt collection
17 claims by requiring consumer debt collectors to:



7 SECTION 2. Chapter 480D, Hawaii Revised Statutes, is
8 amended by adding a new part to be appropriately designated and
9 to read as follows:

"PART . NOTICE AND INFORMATION REQUIREMENTS

11 **\$480D-A Debt collection; information required.** No debt
12 collector shall collect or attempt to collect a consumer debt
13 unless the debt collector has complete documentation of the
14 ownership of the consumer debt, and the debt collector is in
15 possession of or has immediate access to the following
16 information and documents:

17 (1) Documentation of the name of the original creditor;
18 any merchant brand, affinity brand, or facility name
19 associated with the debt; and the name of the current
20 creditor or owner of the consumer debt;



- 1 (2) The consumer's last account number with the original
- 2 creditor;
- 3 (3) A copy of the signed contract, signed application, or
- 4 other documented evidence of the consumer's
- 5 contractual or other liability and the terms of the
- 6 obligation; provided that, for a revolving credit
- 7 account, the most recent monthly statement recording a
- 8 purchase transaction, last payment, balance transfer,
- 9 or extension of credit shall satisfy the requirement
- 10 of this paragraph;
- 11 (4) The date that the consumer debt was incurred; provided
- 12 that, for a revolving credit account, the date that
- 13 the consumer debt was incurred shall be the date of
- 14 the most recent purchase, payment, balance transfer,
- 15 or last extension of credit;
- 16 (5) The date and amount of the last payment made by the
- 17 consumer, if applicable;
- 18 (6) An itemized accounting of the amount claimed to be
- 19 owed, including the amount of the principal; any
- 20 interest, fees, or charges; and whether the charges
- 21 were imposed by the original creditor, a debt



1 collector, or a subsequent owner of the debt. If the
2 consumer debt arises from a credit card or revolving
3 credit account that has been charged off, the itemized
4 accounting shall be measured from the charge-off
5 balance and shall include copies of the charge-off
6 statement and the most recent monthly statement
7 recording a purchase transaction, last payment, or
8 balance transfer; and
9 (7) If the consumer debt has been reduced to a judgment, a
10 copy of the judgment as originally issued, complete
11 documentation establishing that the debt collector is
12 the owner of the judgment, and an itemized accounting
13 of the balance due on the judgment.

14 **S480D-B Written notice to consumer.** (a) In the first
15 written communication with the consumer regarding a charged-off
16 debt, a debt collector shall provide written notice to the
17 consumer that the consumer may request the debt collector to
18 provide to the consumer the information and documents identified
19 in section 480D-A(6), or, if the consumer debt has been reduced
20 to a judgment, the documents and information identified in
21 section 480D-A(7).



1 The notice shall set forth, in boldface type, and at least
2 a 12-point font, the following statement:

3 "If your debt has not been reduced to a judgment by a
4 court, you have the right to request the following information
5 concerning your debt:

6 (1) The name of the original creditor, and the name of any
7 other owners of your debt, including the current
8 owner;
9 (2) Your last account number with the original creditor;
10 (3) A copy of the signed contract, application, or other
11 documents that describe your obligations;
12 (4) The date your debt was incurred;
13 (5) The date of your last payment, if applicable; and
14 (6) An itemized accounting of the alleged debt, including
15 the amount of any principal, interest, fees, or
16 charges, and whether the charges were imposed by the
17 original creditor, a debt collector, or other owner of
18 the debt. For credit card or revolving credit
19 accounts, the itemized accounting is measured from the
20 charge-off balance.



1 If your debt has been reduced to a judgment by a court, you
2 have a right to a copy of the judgment, documentation
3 establishing that the debt collector is the owner of the
4 judgment, and an itemized accounting of the current balance due
5 on the judgment. You may request the above information by
6 contacting us by phone, mail, or email at the following:

7 Address:

8 Phone:

9 E-mail Address:

10 You might have income or resources that are protected from
11 being taken by debt collectors. These might include certain
12 sources of income, funds, or property, including, but not
13 limited to, social security, supplemental security income,
14 disability or unemployment benefits, veteran's benefits, or
15 child support payments. If you believe your property or income
16 may be protected, you may wish to seek legal advice, including
17 at a legal services provider or legal aid office, before paying
18 this debt."

19 (b) If the person to whom the notice is sent is the
20 executor or administrator of an estate, or a person informally



1 performing these functions, the word "your" may be replaced in
2 the notice with another appropriate word or words.

3 **§480D-C Support for debt collector claim.** In a complaint
4 initiated by a debt collector to collect a consumer debt, the
5 debt collector shall attach to the complaint or the statement of
6 claim a copy of the signed contract, signed application, or
7 other documented evidence of the consumer's liability and the
8 terms of the obligation, and shall include the following
9 information in the complaint or statement of claim:

10 (1) A short and plain statement of the type of consumer
11 debt;

12 (2) The information in section 480D-A; provided that the
13 debt collector shall only include the last four digits
14 of the consumer's last account number with the
15 original creditor;

16 (3) The basis for any interest or fees charged;

17 (4) The basis for requesting attorney's fees, if
18 applicable;

19 (5) The current owner of the consumer debt and a
20 chronological listing of the names of all prior owners



1 of the consumer debt and the date of each transfer of
2 ownership, beginning with the original creditor; and
3 (6) Verification that the suit is filed within the
4 applicable statute of limitations period.

5 **§480D-D Verification of consumer address.** Before
6 commencing any legal action to collect a consumer debt, the
7 plaintiff shall make reasonable efforts to verify the
8 defendant's current address for service of process.

9 **§480D-E No extension of statute of limitations period.**

10 Notwithstanding any other provision of law to the contrary,

11 the applicable statute of limitations period for an action to

12 collect consumer debt has expired, any subsequent payment

13 toward, or written or oral affirmation of the consumer debt

14 shall not extend the limitations period.

15 **§480D-F Notice of lawsuit.** Any legal action by a debt
16 collector to collect a consumer debt served on a debtor shall
17 include a notice of lawsuit that conforms to the following:

"Notice of Lawsuit"

19 This notice contains legal information, NOT legal advice.

20 For legal questions, speak to a lawyer.

21 **Someone is suing you.**



1 The court papers accompanying this notice include:

2 (1) When and where you are scheduled to show up for your
3 court hearing;

4 (2) Who is suing you (the "plaintiff"); and

5 (3) How much money they say you owe.

6 If you attend your hearing, you can argue your case,

7 protect your money and property, and ask for a payment plan.

8 **If you don't go to your hearing, you'll probably lose this
9 case.**

10 If you lose, the person or business suing you can:

11 (1) Take money directly from your bank account;

12 (2) Take money directly out of your paycheck;

13 (3) Take some of your property; or

14 (4) Place a lien on your house.

15 If you can't attend your court hearing, contact the clerk's
16 office as soon as possible before your court date to learn about
17 your options.

18 **You should determine if you have the option to appear at
19 your hearing via videoconference.**

20 Visit the Hawaii State Judiciary website to determine if
21 your hearing is available without having to physically go to the



1 courtroom: <https://www.courts.state.hi.us/remote-court-hearings->
2 via-zoom-or-webex.

3 **What you can expect at court:**

4 The court will not provide you with a lawyer, but you can
5 bring one with you.

6 **Upon arrival.**

7 When you arrive at court, check in with the clerk in the
8 courtroom.

9 **You can request mediation.**

10 Mediation is an informal process where a neutral,
11 third-party individual helps with communication and negotiation
12 between the parties in the lawsuit, helping them identify their
13 needs and explore potential solutions. You may request
14 mediation to try to reach an agreement with the person or
15 business suing you.

16 **You can ask for a trial.**

17 If you cannot agree, or you want to argue that you don't
18 owe all or part of the money requested in the lawsuit, you can
19 ask the clerk to schedule a trial. At trial, you'll be able to
20 show the judge your proof and tell your side of the story.

21 **Resources if you represent yourself.**



1 If you do not have an attorney and decide to represent
2 yourself in court, resources to help you can be found at:
3 <https://www.courts.state.hi.us/self-represented-litigants-srl>

4 **Get help.**

5 Lawsuits can be complicated. You may want to speak to a
6 lawyer. Click on the link "Resources for Self-Represented
7 Litigants" to get the names and contact information for Hawaii's
8 free legal service providers:

9 <https://www.courts.state.hi.us/self-represented-litigants-srl>

10 **Things you should know about this lawsuit.**

11 **In a lawsuit concerning a debt, you may not recognize the**
12 **plaintiff or remember owing them money.**

13 If you don't recognize the name of the person or business
14 suing you, they may have bought your debt from someone else.

15 If this is the case, you can ask them for proof of the
16 original debt and the name and address of the person or business
17 where it came from. To do so, **you must contact the person or**
18 **business suing you in writing within 30 days.** They are required
19 to mail you proof of the debt and information about where it
20 came from within a month of getting your letter.



1 **This process is to get information and will not stop the**
2 **lawsuit.**

3 You may not get a response from them before your court
4 date. Some of your money and property might be protected.

5 **Automatic protections:**

6 Income you get from the following sources should be
7 automatically protected and cannot be taken: social security;
8 supplemental security income (SSI); unemployment; veterans'
9 benefits; alimony; child support; and state, federal, or city
10 pensions.

11 **Protections you can ask for:**

12 If you lose, you can ask the court to protect certain
13 property from creditors in debt collection lawsuits:

- 14 (1) Up to \$30,000 for your primary residence;
- 15 (2) Household furnishings and appliances up to \$1,000; and
- 16 (3) Motor vehicle equity of up to \$2,575.

17 **What happens if you lose this case?**

18 You can lose your case in several ways. The most common
19 ways are not showing up to court, not following through on a
20 payment plan, or losing at trial.



1 **If you lose, the judge will enter a judgment against you,**
2 **which means:**

3 (1) The court has decided you owe all or part of the money
4 requested in the lawsuit, plus fees and interest; and
5 (2) Whoever is suing you could take money out of your
6 paycheck, take money out of your bank account, take
7 some of your property, and put a lien on your house."

8 **S480D-G Claim information sheet for consumer debt.** Any
9 legal action by a debt collector served on a debtor to collect a
10 consumer debt shall include a claim information sheet that
11 conforms to the following:

12 "Case No.:

13 Plaintiff(s):

14 Plaintiff's address:

15 Plaintiff's email address:

16 Plaintiff's phone number:

17 Defendant(s):

18 Defendant's address:

19 Defendant's email address:

20 Defendant's phone number:



1 This suit has been filed within the applicable statute of
2 limitations period.

3 **You might have income or resources that are protected from**
4 **being taken by debt collectors. These might include certain**
5 **sources of income, funds, or property, including, but not**
6 **limited to, Social Security, Supplemental Security Income (SSI),**
7 **disability or unemployment benefits, veteran's benefits, or**
8 **child support payments. If you believe your property or income**
9 **may be protected, you may wish to seek legal advice, including**
10 **at a legal services provider or legal aid office, before paying**
11 **this debt.**

12 Type of Consumer Debt:

13 Name of Original Creditor:

14 Name of Current Owner:

15 Last 4 Digits of Account Number with Original Creditor:

16 Date the Debt was Incurred:

17 Date and Amount of Last Payment (if applicable):

18 Itemized Accounting (indicate whether the interest, fees,
19 and other charges are imposed by the original creditor, a debt
20 collector, or a subsequent owner of the debt. Additionally, for



1 revolving credit accounts, the amounts below are measured from
2 the charge-off balance):

3 Principal:

4 Interest:

5 Fees:

6 Other Charges:

7 The basis for any interest, fees, or attorney's fees is:"

8 If Plaintiff's claim includes a request for prejudgment
9 interest, state the following:

10 "The prejudgment interest rate is:

11 The date from which prejudgment interest has run is:

12 The total amount of prejudgment interest that has accrued
13 as of [DATE] is:

14 Chronological listing of the names of all prior owners of
15 the consumer debt and the date of each transfer of ownership (if
16 applicable):

17 Original Creditor:

18 Subsequent Owner:

19 Date of Transfer:

20 The Plaintiff or Plaintiff's counsel has reviewed this law
21 requiring documentation of claim and based on their knowledge



1 and belief, documents required pursuant to those sections are
2 attached hereto.

3 Request for Relief:

4 Attorney for Plaintiff:

5 **Instructions to Defendants**

6 **Important:**

7 You must participate in your hearing on the date and time
8 stated on the Notice of Lawsuit to avoid the entry of a judgment
9 by default. If you do not come to court for your hearing, a
10 judgment by default may be entered against you for the amount of
11 money demanded as shown on the statement of claim or the
12 complaint. If that happens, the plaintiff could take money from
13 your paycheck or your bank account, or take and sell your
14 personal property, to pay the claim.

15 If you cannot participate in your hearing, call the clerk's
16 office as soon as you can for more information. You must go to
17 the hearing unless the hearing is continued or cancelled. To
18 find out if your hearing is still scheduled call the clerk's
19 office. Even if you want to admit to the claim, and just need
20 more time to pay, you must still come to court to explain your
21 situation.



1 Before any case goes to trial, you may request to
2 participate in mediation. Mediation will allow a trained
3 mediator to meet with the parties to see if they can agree to a
4 settlement. If the parties cannot reach a settlement with the
5 mediator, then the case can be scheduled for a trial on another
6 day.

7 If the plaintiff in your case has a lawyer, that lawyer's
8 name and contact information are on this statement of claim.
9 You may contact the plaintiff's lawyer about this case. You do
10 not have to have a lawyer, but you may choose to get a lawyer or
11 look for legal advice about this matter.

12 If you have witnesses, books, receipts, or other documents
13 that relate to this case, you should bring them with you to
14 court. If you want to have witnesses summoned to come to court,
15 contact the clerk's office for more information. When you
16 contact the clerk's office about your case, remember to include
17 your case number, contact information, and court date. Please
18 know that court employees are not allowed to give you legal
19 advice. ""

20 SECTION 3. Section 480D-2, Hawaii Revised Statutes, is
21 amended as follows:



1 1. By adding a new definition to be appropriately inserted
2 and to read:

3 ~~""Original creditor" means the person that owned a consumer~~
4 ~~debt at the date of default, or the date of charge-off for~~
5 ~~credit cards or revolving credit accounts, giving rise to a~~
6 ~~cause of action for its collection."~~

7 2. By amending the definition of "consumer debt" to read:

8 ~~""Consumer debt" [means] includes money allegedly owed or~~
9 ~~its equivalent, or a loan or advance of money that is, or is~~
10 ~~alleged to be, more than 30 days past due and owing, unless a~~
11 ~~different period is agreed to by the consumer as a result of a~~
12 ~~purchase, lease, or loan of goods, services, or real or personal~~
13 ~~property for personal, family, medical or household purposes.~~

14 ~~The term "consumer debt" does not include an extension of credit~~
15 ~~secured by a mortgage but includes any other debt of a natural~~
16 ~~person incurred primarily for personal, family, or household~~
17 ~~purposes."~~

18 3. By amending the definition of "debt collector" to read:
19 ~~""Debt collector" means any person, who is not a collection~~
20 ~~agency regulated pursuant to chapter 443B, and who in the~~
21 ~~regular course of business collects or attempts to collect~~



1 consumer debts owed or due or asserted to be owed or due to the
2 collector. The term "debt collector" includes an original
3 creditor or debt buyer engaging directly or indirectly in debt
4 collection and any person who sells or offers to sell forms
5 represented to be a collection system, device, or a scheme or
6 method intended or calculated to be used to collect consumer
7 debt."

8 SECTION 4. Chapter 480D, Hawaii Revised Statutes, is
9 amended by designating sections 480D-1 through 480D-5 as part I,
10 entitled "General Provisions".

11 SECTION 5. This Act does not affect rights and duties that
12 matured, penalties that were incurred, and proceedings that were
13 begun before its effective date.

14 SECTION 6. In codifying the new sections added by section
15 2 of this Act, the revisor of statutes shall substitute
16 appropriate section numbers for the letters used in designating
17 the new sections in this Act.

18 SECTION 7. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.



1 SECTION 8. This Act shall take effect upon its approval.

2

INTRODUCED BY: Carol Johnson



S.B. NO. 3188

Report Title:

Collection Practices; Consumer Debt; Fair Debt Collection

Description:

Requires certain notice and information to be provided to debtors in consumer debt collection claims to help protect consumers and increase fairness.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

