



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Judiciary
Wednesday, April 1, 2026
10:40 a.m.**

State Capitol, Conference Room 016 & via Videoconference

**On the following measure:
H.B. 1511, H.D. 2, S.D. 1, RELATING TO CONSUMER PROTECTION**

WRITTEN TESTIMONY ONLY

Chair Rhoads, Vice Chair Gabbard, and Members of the Committee:

My name is Scott K. Saiki, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department supports this bill.

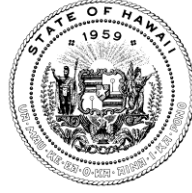
The purpose of this bill is to prohibit entities from distributing unsolicited mail or electronic mail that employs high pressure tactics or is reasonably likely to cause a consumer to believe that the sender is affiliated with another entity that the sender is not actually affiliated with and the entity is asking the recipient to pay for goods, services, or forms of legal authorization, unless certain disclosures are met and to make contracts that fail to meet disclosure requirements voidable at the option of the consumer.

The Insurance Division supports the initiative to establish a framework and elucidate acceptable practices in order to safeguard the consumers' best interests so

Testimony of DCCA
H.B. 1511, H.D. 2, S.D. 1
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they can engage in clear, informed, and intentional decision-making regarding any home and vehicle warranties.

Thank you for the opportunity to testify.



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Wednesday, April 1, 2026
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**On the following measure:
H.B. 1511, S.D. 1, RELATING TO CONSUMER PROTECTION**

Chair Rhoads and Members of the Committee:

My name is Radji Tolentino and I am an Enforcement Attorney with the Department of Commerce and Consumer Affairs' (DCCA) Office of Consumer Protection (OCP). The Department supports this bill.

The purposes of this bill are to: (1) prohibit entities from distributing unsolicited mail or electronic mail that employs high pressure tactics or is reasonably likely to cause a consumer to believe that the sender is affiliated with another entity that the sender is not actually affiliated with and the entity is asking the recipient to pay for goods, services, or forms of legal authorization, unless certain disclosures are met, and (2) make contracts that fail to meet disclosure requirements voidable at the option of the consumer.

This bill targets the use of unsolicited mailers or emails that employ urgent, official-sounding language to create the false impression that a manufacturer's warranty or mortgage protection is expiring, or a government license or registration needs to be

renewed immediately. These predatory tactics are designed to pressure consumers into purchasing expensive service contracts by mimicking the appearance of correspondence from an original manufacturer, dealer or lender. This bill requires senders to be transparent about their identity, targeting companies that use correspondence that mimics correspondence from a consumer's mortgage lender, the DMV, or government agencies.

Although it is already unlawful to mislead consumers in a manner that is deceptive or unfair, this bill requires disclosures about the sender's identity and affiliation: all solicitations must include a clear statement in bold, 14-point type explaining that the sender is **not** affiliated with those entities, the offer is completely optional, and the mail is a solicitation rather than a bill. By including a provision that makes contracts voidable if these disclosures are missing, and requiring full consumer refunds for violations, this bill creates new remedies that have the potential to deter misleading mail and email solicitations.

We appreciate the provisions relating to government licensure and registration on page 4, lines 6 to 15. OCP has received consumer complaints about mailers that closely resembled communications from the DCCA's Business Registration Division and offered, for a fee, to submit annual registration renewals on the recipient's behalf. After looking into the matter, the recipients discovered they could complete the renewal directly with the DCCA without paying the service fees advertised in the mailer.

This bill would make Hawaii part of a growing movement of states attempting to curb aggressive mail solicitations. States such as Illinois and California have already enacted similar laws to stop deceptive "final notice" mailers from targeting their residents. These laws have proven effective in distinguishing legitimate businesses from those that rely on consumer confusion to generate sales. H.B. 1511, S.D. 1 aligns Hawaii with these established standards.

Thank you for the opportunity to testify on this bill.



April 1, 2026

Senate Committee on Judiciary

Re: Comments on HB 1511, HD2, SD1, Relating to Consumer Protection

Aloha Chair Rhoads, Vice Chair Gabbard, and members of the committee,

On behalf of the Hawai'i Automobile Dealers Association (HADA), we respectfully oppose HB 1511, HD2, SD1, Relating to Consumer Protection. This bill will prohibit certain entities from distributing unsolicited mail or electronic mail that is reasonably likely to cause a consumer to believe that a vehicle manufacturer, dealer, mortgage loan originator, mortgage servicer, or insurance company is asking the consumer to send money to extend a vehicle warranty or home warranty, unless certain disclosures are met.

Hawaii-licensed automobile dealers play an important role in providing accurate, timely, and relevant information to vehicle owners. Dealers routinely communicate with consumers regarding safety recalls, warranty coverage, service campaigns, and other vehicle-related matters that are essential to consumer safety and informed decision-making. These communications are regulated under existing state and federal laws and are not intended to mislead or deceive consumers.

Accordingly, HADA appreciates the effort to clarify that legitimate communications from Hawaii-licensed automobile dealers acting within the scope of their relationship with consumers are not subject to the prohibition. Should this bill move forward, we request that line 12 be amended to insert the word "falsely" to read:

(1) An entity falsely representing that a vehicle manufacturer, a

After reviewing this measure more closely, we continue to have concerns as it remains so vague. For example, "high pressure tactics" include communications that tend to cause fright or a threat, which might include a fear of missing out on savings or the threat of economic disadvantage. High pressure tactics are also defined as those that *impliedly* cause fear. The type and degree of fear are unstated. Communications restrictions viewed solely through the eye of the recipient without clear standards are problematic at best and may be impossible to comply with. We support legitimate communications with customers that will enable them to make informed choices. We do not support misleading communications which are already prohibited by law. Thank you for the opportunity to share our concerns on this measure.

The Hawai'i Automobile Dealers Association is the voice of 71 new car dealerships across the islands, accounting for over 4,000 direct jobs, \$6 billion total sales and more than \$250 million in general excise taxes paid.



Mortgage Bankers Association of Hawaii
P.O. Box 4129, Honolulu, Hawaii 96812

LATE

March 31, 2026

The Honorable Karl Rhoads, Chair
The Honorable Mike Gabbard, Vice Chair
Members of the Senate Committee on Judiciary

Hearing Date: April 1, 2026
Hearing Time: 10:40 AM
Hearing Place: Hawaii State Capitol, Conference Room 016

Re: HB 1511, HD2, SD1 Relating to Consumer Protection

I am Bryan Anderson, representing the Mortgage Bankers Association of Hawaii (“MBAH”). The MBAH is a voluntary organization of individuals involved in the real estate lending industry in Hawaii. Our membership consists of employees of banks, savings institutions, mortgage bankers, mortgage brokers, financial institutions, and companies whose business depends upon the ongoing health of the financial services industry of Hawaii. The members of the MBAH originate and service, or support the origination and servicing, of the vast majority of residential and commercial real estate mortgage loans in Hawaii. When, and if, the MBAH testifies on legislation or rules, it is related only to mortgage lending and servicing.

The MBAH is submitting this testimony in **SUPPORT** of HB1511, HD2, SD1 (the “Bill”).

This bill provides critical protections for Hawaii residents against misleading communications that often mimic official notices from trusted entities.

Why HB 1511, HD2, SD1 is Essential:

- **Combats Deceptive Tactics:** Many consumers receive high-pressure mailers or emails designed to look like they are from a vehicle manufacturer, dealer, or mortgage lender. These tactics often trick individuals into believing their existing coverage is expiring when it is not.
- **Mandates Transparency:** The bill requires clear and conspicuous disclosures (bold 14-point type) stating that the entity is not affiliated with the manufacturer or lender and that the warranty is completely optional.

- Provides Consumer Remedies: By making contracts voidable if they fail to meet these disclosure requirements, the Bill empowers consumers to cancel deceptive agreements and receive a full refund.
- Protects Vulnerable Populations: Seniors and first-time homeowners are frequently targeted by these scams, which can lead to "junk fees" and expensive contracts that offer little actual value.

In conclusion, Hawaii's Unfair or Deceptive Acts and Practices (UDAP) laws are vital for maintaining a fair marketplace. The Bill strengthens these protections by specifically targeting a persistent and evolving form of marketing fraud that has already led to massive federal enforcement actions. I respectfully urge the Committee to PASS HB 1511, HD2, SD1 to ensure greater transparency and protection for all Hawaii consumers.

Thank you for the opportunity to present this testimony.

Bryan Anderson

Bryan Anderson
Mortgage Bankers Association of Hawaii

HB-1511-SD-1

Submitted on: 3/30/2026 11:45:51 AM

Testimony for JDC on 4/1/2026 10:40:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Honokaupu Jr	Individual	Support	Written Testimony Only

Comments:

With AI, Nothing is real anymore. Consumers Protection is a must. I been scammed so many times with legitimate TrustPilot, Secure Payments, BBB. My former bank, Current Bank account Affiliate with Equifax. I have a claim. Because my former bank, stating they don't affiliate with Equifax as it shows flat smacke on their application. I now dealing with my three (fico) fighting with each other with my bank. TransUnion sent a payment to collection. A payment that I already unsubscribe before the New start date... Now my credit is 580 from 690. I filed for fraudulent. I know first hand of dealing with consumer protection.. Capital it's not when in 07/01/3000. It's happening now. Im historical here Maui born and raised. Why are this in the future? It's like going backwards. Idk maybe time to clean house.

HB-1511-SD-1

Submitted on: 3/30/2026 3:01:35 PM

Testimony for JDC on 4/1/2026 10:40:00 AM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support

1511 HB RELATING TO CONSUMER PROTECTION.

HB-1511-SD-1

Submitted on: 3/30/2026 5:00:45 PM

Testimony for JDC on 4/1/2026 10:40:00 AM

Submitted By	Organization	Testifier Position	Testify
Diane Ware	Individual	Support	Written Testimony Only

Comments:

Dear Chairs and Committee Members,

I strongly support this bill. I personally have had some scarifying experiences receiving mail from an entity I do business such as financial or healthcare companies that are imposters. We are programmed to accept rather than be skeptical and when presented with warnings we are for instance late or in arrears for payment one panic s and opens a link.

There needs to be consequences for those involved to stop these fraudulent emails.

I urge you to pass this bill and help honest consumers.

Respectfully,

Diane Ware Volcano 96785

HB-1511-SD-1

Submitted on: 3/30/2026 5:34:58 PM

Testimony for JDC on 4/1/2026 10:40:00 AM

Submitted By	Organization	Testifier Position	Testify
William Caron	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

I am writing in strong support of HB1511, a consumer protection measure that targets deceptive and high-pressure solicitation tactics that too often confuse, mislead, and harm Hawai'i residents, particularly our kūpuna and those who may not immediately recognize when they are being misled.

Why Is This Important?

We have all seen them: official-looking mailers that appear to come from a government agency, demanding payment for "forms of legal authorization" or official documents. They use logos, seals, and language designed to create the false impression that the sender is affiliated with a government entity or another trusted organization. They employ high-pressure tactics, creating a false sense of urgency to trick recipients into sending money for something they could get elsewhere for free or at a lower cost.

These solicitations are not just annoying; they are predatory. They prey on good-faith assumptions—that if a document looks official, it must be legitimate; that if a deadline is stated, it must be real; that if a form is offered, it must be necessary. For kūpuna on fixed incomes, for busy families juggling countless responsibilities, and for individuals navigating complex systems like immigration or business compliance, these deceptive mailers can cause real financial harm.

HB1511 directly addresses this problem. The bill prohibits entities from distributing unsolicited mail or electronic mail that:

- Employs high-pressure tactics; or
- Is reasonably likely to cause a consumer to believe the sender is affiliated with another entity that they are not actually affiliated with; and
- Asks the recipient to pay for goods, services, or forms of legal authorization.

The Disclosure Requirement

Crucially, HB1511 does not impose an outright ban on all solicitations. It instead requires transparency. The prohibited practices are allowed only if the solicitation meets specific disclosure requirements, ensuring that the recipient is not being deceived. This balanced

approach stops bad actors while allowing legitimate businesses to continue operating—as long as they are honest about who they are and what they are selling.

Empowering Consumers

Perhaps most importantly, the bill makes contracts that fail to meet these disclosure requirements voidable at the option of the consumer. This is a powerful and necessary tool. It shifts the power back to the individual who was misled, giving them the right to walk away from a transaction entered into based on deception. It also creates a strong incentive for businesses to comply with the law, knowing that failure to do so could render their contracts unenforceable.

Who This Protects

This bill protects all of us, but it is especially vital for our most vulnerable residents:

- Kūpuna who may receive mailers that look like they are from Social Security, Medicare, or other trusted agencies, demanding payment for services or documents.
- Immigrants and their families who may receive solicitations offering "legal authorization" forms that create confusion about what is required and where to obtain legitimate assistance.
- Small business owners who may be targeted by official-looking notices demanding payment for business licenses, compliance forms, or other documents that are available elsewhere for less—or for free.

A Common-Sense Solution

HB1511 is a common-sense update to our consumer protection laws. It recognizes that bad actors have become increasingly sophisticated in their efforts to deceive, and that our laws must keep pace. It does not burden legitimate businesses; it simply requires them to be honest. And it provides a clear remedy for consumers who have been victimized by deception.

I urge this committee to pass HB1511 and send a clear message: in Hawai‘i, we do not tolerate deception, and we will not allow predatory mailers to profit from confusion and fear.

Mahalo for the opportunity to testify.