

A Bill for an Act Relating to Retail Installment Sales.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 476-3.1, Hawaii Revised Statutes, is amended to read as follows:

“§476-3.1 Balloon payments. With respect to any sale of goods purchased primarily for a personal, family or household purpose, which is subject to the provisions of this chapter, if any scheduled payment is more than twice as large as the average of earlier scheduled payments, the buyer has the right to refinance the amount of that payment at the time it is due without penalty. If the principal balance of the original loan is less than \$10,000, the terms of the refinancing shall be no less favorable to the buyer than the terms of the original sale. These provisions do not apply to the extent that the payment schedule is adjusted to the seasonal or irregular income of the buyer.”

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored.*

SECTION 3. This Act shall take effect upon its approval.

(Approved April 16, 1981.)

*The text has been edited pursuant to HRS §23G-16.5, authorizing omission of the brackets, bracketed material, and underscoring.