

ACT 157

S.B. NO. 1175

A Bill for an Act Relating to Retail Installment Sales.

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

SECTION 1. Section 476-5, Hawaii Revised Statutes, is amended to read as follows:

“§476-5 Balloon payments. [Text of section effective July 1, 1985.] With respect to any sale of goods, services, or both, purchased primarily for a personal, family, or household purpose, which is subject to 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 contract is less than \$10,000, and the finance charge either is stated as a dollar amount and added on or deducted in advance or is computed at a fixed rate, all the terms of the refinancing shall be no less favorable to the buyer than the terms of the original sale[.], except that the payment schedule may be modified so as to effect the amortization of the total amount refinanced over the period for which it is refinanced, which shall not be less than the term of the original contract, or that no scheduled payment required upon refinancing shall be greater than the amount of the average scheduled payment required by the original contract. 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 Statutory material to be repealed is bracketed.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 statutory material is underscored.

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

(Approved May 31, 1985.)