

STAND. COM. REP. NO.

448

Honolulu, Hawaii

February 20, 2015

RE: H.B. No. 228

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which  
was referred H.B. No. 228 entitled:

"A BILL FOR AN ACT RELATING TO DEFERRED DEPOSITS,"

begs leave to report as follows:

The purpose of this measure is to reduce the allowable  
maximum fee of a payday loan from 15 per cent to 7 per cent of the  
face amount of the deferred check.

The Office of Hawaiian Affairs, CHOW project, and Catholic  
Charities Hawaii testified in support of this measure. The Office  
of Consumer Protection and Hawaii Appleseed Center for Law and  
Economic Justice testified in support of the intent of this  
measure. Phocused testified in support with amendments to this  
measure. Money Mart; Dollar Financial Group; Maui Loan Inc.;  
Money Service Centers of Hawaii, Inc.; Cash in Advance, Inc.;  
Hawaii Check Cashing; and an individual testified in opposition to  
this measure. The Office of the Auditor provided comments on this  
measure.

Your Committee has amended this measure by:

- (1) Changing the maximum fee for a deferred deposit  
agreement to an unspecified percentage; and
- (2) Changing its effective date to July 1, 2050, to  
encourage further discussion.

HB228 HD1 HSCR CPC HMS 2015-1870



Your Committee notes that the use of an annual percentage rate (APR) as a measurement of interest in deferred deposits of checks is misleading. Therefore, your Committee respectfully requests that your Committee on Finance further examine this issue.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 228, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 228, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,

  
ANGUS L.K. MCKELVEY, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

HSCR 448

**Record of Votes of the Committee on Consumer Protection & Commerce**

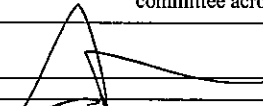
Bill/Resolution No.: <p style="font-size: 1.2em; font-family: cursive;">HB 228</p>	Committee Referral: <p style="font-size: 1.2em; font-family: cursive;">CPC, FIN</p>	Date: <p style="font-size: 1.2em; font-family: cursive;">021115</p>
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The committee is reconsidering its previous decision on the measure.

The recommendation is to:     Pass, unamended (as is)     Pass, with amendments (HD)     Hold  
 Pass short form bill with HD to recommit for future public hearing (recommit)

CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	/			
2. WOODSON, Justin H. (VC)	/			
3. BELATTI, Della Au				/
4. BROWER, Tom	/			
5. CREAGAN, Richard P.	/			
6. HAR, Sharon E.		/		
7. HASHEM, Mark J.				/
8. KAWAKAMI, Derek S.K.		/		
9. LEE, Chris	/			
10. NAKASHIMA, Mark M.				/
11. OSHIRO, Marcus R.	/			
12. SAN BUENAVENTURA, Joy A.	/			
13. TAKAYAMA, Gregg	/			
14. YAMANE, Ryan I.	/			
15. FUKUMOTO CHANG, Beth	/			
16. MCDERMOTT, Bob	/			
<b>TOTAL (16)</b>	11	2		3

The recommendation is:     Adopted     Not Adopted  
If joint referral, \_\_\_\_\_ did not support recommendation.  
  committee acronym(s)

Vice Chair's or designee's signature: \_\_\_\_\_  


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