
HOUSE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A FOLLOW-UP ANALYSIS TO
*SUNRISE ANALYSIS: CHECK CASHING AND DEFERRED DEPOSIT
AGREEMENTS (PAYDAY LOANS)*, REPORT NO. 05-11.

1 WHEREAS, the Auditor issued *Sunrise Analysis: Check Cashing*
2 *and Deferred Deposit Agreements (Payday Loans)*, Report No. 05-11
3 in December 2005; and

4
5 WHEREAS, in Report No. 05-11, the Auditor recommended
6 several legislative changes, including instituting a mandatory
7 registration program for all payday lenders with the Department
8 of Commerce and Consumer Affairs; and

9
10 WHEREAS, the recommendations in Report No. 05-11 have not
11 yet been adopted by the Legislature; and

12
13 WHEREAS, the data in Report No. 05-11 is over a decade old
14 and studies in other jurisdictions do not include Hawaii
15 consumers or regulations similar to chapter 480F, Hawaii Revised
16 Statutes; and

17
18 WHEREAS, persons who act or hold themselves out as check
19 cashers are not presently required to be licensed, certified,
20 registered, or otherwise regulated by the State; and

21
22 WHEREAS, section 26H-6, Hawaii Revised Statutes, requires
23 new measures, subjecting unregulated professions and vocations
24 to licensing or other regulatory controls, to be referred to the
25 Auditor for analysis; now, therefore,

26
27 BE IT RESOLVED by the House of Representatives of the
28 Thirtieth Legislature of the State of Hawaii, Regular Session of
29 2019, the Senate concurring, that the Auditor is requested to
30 conduct a follow-up analysis to *Sunrise Analysis: Check Cashing*



1 and *Deferred Deposit Agreements (Payday Loans)*, Report No.
2 05-11; and

3
4 BE IT FURTHER RESOLVED that the Auditor is requested to:

- 5
6 (1) Determine the number of storefront and internet
7 companies and locations operating under chapter 480F,
8 Hawaii Revised Statutes;
9
10 (2) Collect data on the use, complaint history, and impact
11 of short-term lending, as allowed under chapter 480F,
12 Hawaii Revised Statutes, on Hawaii consumers;
13
14 (3) Analyze the advantages and disadvantages of licensure
15 and other regulation of short-term lenders and check
16 cashers, including associated expenses;
17
18 (4) Compare regulation of check cashers under chapter
19 480F, Hawaii Revised Statutes, with regulations in
20 other states;
21
22 (5) Analyze the economic impact on consumers and check
23 cashers of the regulations in other jurisdictions
24 comparing interest rates, fees, repayment period, and
25 annual percentage rates;
26
27 (6) Analyze the availability and cost of alternative
28 credit products to deferred deposits under chapter
29 480F, Hawaii Revised Statutes;
30
31 (7) Analyze payday lender complaints to the Department of
32 Commerce and Consumer Affairs for the past ten years,
33 including internet payday lenders;
34
35 (8) Analyze the role of short-term lending in the
36 underserved, unbanked credit market in Hawaii and the
37 United States, and the role of credit unions, banks,
38 and community development financial institutions in
39 this market; and
40
41 (9) Recommend compliance, training, and examination
42 standards for federal and state laws and regulations



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1 that apply to financial services offered under chapter
 2 480F, Hawaii Revised Statutes; and

3
 4 BE IT FURTHER RESOLVED that the Auditor report findings and
 5 recommendations, including any proposed legislation, to the
 6 Legislature no later than twenty days prior to the convening of
 7 the Regular Session of 2020; and

8
 9 BE IT FURTHER RESOLVED that certified copies of this
 10 Concurrent Resolution be transmitted to the Auditor and Director
 11 of Commerce and Consumer Affairs.

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 13
 14 OFFERED BY: Mellie K. Nakamura

<u>[Signature]</u>	<u>[Signature]</u>
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<u>T. W. Wynn</u>	<u>Indeliching</u>
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