Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2587 entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION,"

begs leave to report as follows:

The purpose and intent of this measure is to strengthen regulation over the payday lending industry by:

(1) Establishing requirements for small dollar installment loans;

(2) Requiring a person to be licensed in order to act as a small dollar lender;

(3) Appropriating funds for the Division of Financial Institutions of the Department of Commerce and Consumer Affairs to hire examiners to carry out the purposes of the small dollar installment loan program;

(4) Requiring a person to be registered in order to conduct business as a check cashier; and

(5) Requiring the Division of Financial Institutions of the Department of Commerce and Consumer Affairs to conduct an analysis of the regulation of payday lenders and deferred deposit agreements.
Your Committee received written comments in support of this measure from one individual.

Your Committee received written comments on this measure from the Division of Financial Institutions, Department of Commerce and Consumer Affairs.

Your Committee finds that this measure will close loopholes in the present laws that have allowed payday lenders to charge excessive interest rates, which in turn create a vicious cycle of dependency and debt among the State's most vulnerable individuals and families.

Your Committee has amended this measure by:

(1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and

(2) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2587, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2587, S.D. 1.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,

DONOVAN M. DELA CRUZ, Chair
The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to:

The Recommendation is:
- Pass, unamended
- Pass, with amendments
- Hold
- Recommit

Members:
- DELA CRUZ, Donovan M. (C)
- KEITH-AGARAN, Gilbert S.C. (VC)
- ENGLISH, J. Kalani
- HARIMOTO, Breene
- INOUYE, Lorraine R.
- KAHELE, Kaiali'i
- KANUWA, Dru Mamo
- KIDANI, Michelle N.
- MORIWAKI, Sharon Y.
- RIVIERE, Gil
- SHIMABUKURO, Maile S.L.
- TANIGUCHI, Brian T.
- FEVELLA, Kurt

TOTAL: 9 Ayes, 4 Nays

Recommendation: Adopted

Chair's or Designee's Signature:

Distribution:
- Original
- Yellow
- Pink
- Goldenrod

*Only one measure per Record of Votes*

Revised: 12/19/18