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# A BILL FOR AN ACT

RELATING TO DEFERRED DEPOSITS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Chapter 480F, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§480F- Registration program. All "check cashers", as  
5 that term is defined in section 480F-1, doing business in the  
6 State shall register with the department of commerce and  
7 consumer affairs. The registration shall include, but not be  
8 limited to, the following information:

- 9           (1) Proof of registration under this section;  
10           (2) The names and addresses of the owners of the check  
11           cashing business;  
12           (3) The names and locations of all check cashing  
13           businesses being registered; and  
14           (4) Any other information deemed necessary by the  
15           department of commerce and consumer affairs.

16           The department of commerce and consumer affairs may adopt  
17 rules pursuant to chapter 91 to effectuate this section  
18 including registration, renewal, and other appropriate fees."



1 SECTION 2. Section 480F-4, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "**§480F-4 Deferred deposits, when allowed.** (a) No check  
4 cashier may defer the deposit of a check except as provided in  
5 this section.

6 (b) Each deferred deposit shall be made pursuant to a  
7 written agreement that ~~[has been signed]~~ shall:

8 (1) Be signed by the customer and the check cashier or an  
9 authorized representative of the check cashier~~[-The~~  
10 ~~written agreement shall contain];~~

11 (2) Contain a statement of the total amount of any fees  
12 charged for the deferred deposit, expressed both in  
13 United States currency and as an annual percentage  
14 rate~~[- The written agreement shall authorize];~~

15 (3) Authorize the check cashier to defer deposit of the  
16 personal check until a specific date not later than  
17 thirty-two days from the date the written agreement  
18 was signed~~[- The written agreement shall not];~~ and

19 (4) Not permit the check cashier to accept collateral.

20 (c) The face amount of the check shall not exceed \$600,  
21 and the deposit of a personal check written by a customer  
22 pursuant to a deferred deposit transaction may be deferred for



1 no more than thirty-two days. A check casher may charge a fee  
2 for deferred deposit of a personal check in an amount not to  
3 exceed [~~fifteen~~] \_\_\_\_\_ per cent of the face amount of the  
4 check. Any fees charged for deferred deposit of a personal  
5 check in compliance with this section shall be exempt from  
6 chapter 478.

7 (d) All fees, including annual percentage rates charged by  
8 a check casher under this section, shall be posted in a  
9 conspicuous place within the check casher's place of business.

10 [~~(d)~~] (e) A check casher shall not enter into an agreement  
11 for deferred deposit with a customer during the period of time  
12 that an earlier agreement for a deferred deposit for the same  
13 customer is in effect. A deferred deposit transaction shall not  
14 be repaid, refinanced, or consolidated by or with the proceeds  
15 of another deferred deposit transaction.

16 [~~(e)~~] (f) A check casher who enters into a deferred  
17 deposit agreement and accepts a check passed on insufficient  
18 funds, or any assignee of that check casher, shall not be  
19 entitled to recover damages in any action brought pursuant to or  
20 governed by chapter 490. Instead, the check casher may charge  
21 and recover a fee for the return of a dishonored check in an  
22 amount not greater than \$20.



1           [~~f~~] (g) No amount in excess of the amounts authorized by  
2 this section and no collateral products such as insurance shall  
3 be directly or indirectly charged by a check casher pursuant or  
4 incident to a deferred deposit agreement."

5           SECTION 3. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7           SECTION 4. This Act shall take effect upon its approval.  
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INTRODUCED BY

*[Signature]*

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*[Signature]*

*[Signature]*

JAN 25 2006



AB 2768

**Report Title:**

Check Cashing; Deferred Deposits

**Description:**

Requires check cashing businesses to post deferred deposit agreement fees in a conspicuous place, provides a blank percentage to modify the maximum fee that a check cashing business may charge for a deferred deposit agreement, and requires check cashing businesses to register with the department of commerce and consumer affairs.

