
HOUSE CONCURRENT RESOLUTION

REQUESTING A SUNRISE REVIEW ON THE REGISTRATION OF PROVIDERS OF
DEBT-MANAGEMENT SERVICES.

1 WHEREAS, debt-management services refer to services as an
2 intermediary between an individual and a creditor of the
3 individual for the purpose of obtaining from the creditor a
4 concession to have the repayment of a debt restructured along
5 terms more favorable to an individual than are the terms of the
6 governing contract between the individual and a creditor, but
7 does not include legal services, accounting services, or
8 financial planning services; and
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10 WHEREAS, debt-management services are generally comprised
11 of two kinds of services, specifically, the providing of
12 counseling coupled with assisting debtors in establishing
13 programs to pay off debts over an extended time, and the
14 providing of consolidation and management services, in which
15 agreements are reached with creditors to settle on a percentage
16 of debt; and
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18 WHEREAS, debt-management services have been criticized for
19 attempting to steer debtors away from bankruptcy when bankruptcy
20 might have been more advantageous and less costly to the debtor;
21 and
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23 WHEREAS, H.B. No. 184, introduced during the Regular
24 Session of 2007, will prohibit some persons from holding
25 themselves out as providers of debt-management services unless
26 they are registered with the Director of Commerce and Consumer
27 Affairs; and
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29 WHEREAS, the Auditor is required pursuant to section 26H-6,
30 Hawaii Revised Statutes, to conduct sunrise reviews of specific
31 measures identified through a concurrent resolution; now,
32 therefore,



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2 BE IT RESOLVED by the House of Representatives of the
3 Twenty-fourth Legislature of the State of Hawaii, Regular
4 Session of 2007, the Senate concurring, that the Auditor is
5 respectfully requested to conduct a sunrise review on the
6 registration of providers of debt-management services as
7 contemplated under H.B. No. 184, introduced during the Regular
8 Session of 2007; and
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10 BE IT FURTHER RESOLVED that if the Auditor determines that
11 registration of debt management services providers is
12 appropriate, the Auditor is also requested to recommend whether
13 for-profit entities should be prohibited from providing debt-
14 settlement services, or credit-counseling services, or both; and
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16 BE IT FURTHER RESOLVED that the Auditor is requested to
17 submit findings and recommendations, including any proposed
18 legislation, not later than twenty days prior to the convening
19 of the Regular Session of 2008; and
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21 BE IT FURTHER RESOLVED that a certified copy of this
22 Concurrent Resolution be transmitted to the Auditor.
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OFFERED BY: 

FEB 16 2007

