

STAND. COM. REP. NO. 1377

Honolulu, Hawaii

MAR 30 2007

RE: S.C.R. No. 35

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred S.C.R. No. 35 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING A SUNRISE REVIEW ON
THE REGISTRATION OF PROVIDERS OF DEBT-MANAGEMENT SERVICES,"

begs leave to report as follows:

The purpose of this measure is to request a sunrise review on
the registration of providers of debt-management services.

Your Committee received testimony in support of this measure
from the Commission to Promote Uniform Legislation and Legal Aid
Society of Hawai'i.

Your Committee finds that the use of debt-management services
by consumers is increasing and these services have been criticized
for attempting to steer debtors away from bankruptcy when
bankruptcy might be more advantageous and less costly to the
debtor. Concern has been raised as to whether some type of
regulation or registration requirement should apply to providers
of debt-management services.

During the 2007 Regular Session, S.B. No. 159 was introduced
and sought to prohibit persons from holding themselves out as
providers of debt-management services unless they are registered
with the Department of Commerce and Consumer Affairs.

This measure, in compliance with section 26H-6, Hawaii
Revised Statutes, requests the Auditor to perform a sunrise review
on the registration of providers of debt-management services with

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the Director of Commerce and Consumer Affairs as provided in S.B. No. 159.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 35 and recommends that it be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Affordable
Housing,



BRIAN T. TANIGUCHI, Chair



