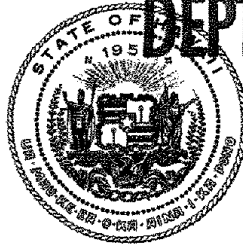


STATE OF HAWAI'I
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DEPT. COMM. NO. 34 MARION M. HIGA
State Auditor

(808) 587-0800
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February 26, 2008

The Honorable Colleen Hanabusa
President of the Senate
State Capitol, Room 409
Honolulu, Hawai'i 96813

Dear Madam President:

I transmit to you a copy of our report, *Sunrise Analysis: Debt-Management Service Providers*.

Debt-management service providers seek to help consumers in financial trouble resolve their debts without resorting to bankruptcy. House Bill No. 184, which proposes to regulate both credit counselors, who operate as non-profits, and debt settlers, who operate for-profit, meets the sunrise criteria requiring evidence of abuse. We recommend enactment provided that amendments by the National Conference of Commissioners on Uniform State Laws, appended to our report, be taken into account to address difficulties encountered by other states. The Department of Commerce and Consumer Affairs does not agree with our analysis and recommendations.

We hope that the report will assist you in reviewing the issues examined. We will place the report on our website, www.state.hi.us/auditor, and release it to the public and press, on Wednesday, February 27, 2008.

Sincerely,

Marion M. Higa
State Auditor

Enclosure

c:✓Carol Taniguchi, Senate Clerk