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# A BILL FOR AN ACT

RELATING TO CONSUMER CREDIT.

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

1 SECTION 1. The purpose of this Act is to require financial  
2 institutions and creditors that extend consumer credit to the  
3 members of the armed forces or reserves on active duty and their  
4 family members, to conform their lending practices to the  
5 federal John Warner National Defense Authorization Act for  
6 Fiscal Year 2007, as amended, relating to the terms of consumer  
7 credit extended to the military and their dependents, including  
8 maximum annual percentage rates and required disclosures.

9 SECTION 2. Chapter 412, Hawaii Revised Statutes, is  
10 amended by adding a new section to part III of article 5 to be  
11 appropriately designated and to read as follows:

12 "§412:5- Terms of credit extended to military personnel  
13 and family members. Any bank that extends consumer credit to a  
14 covered borrower, as defined in section 232 of title 32 of the  
15 Code of Federal Regulations, as published on August 31, 2007, in  
16 volume 72 of the Federal Register, shall comply with the  
17 provisions of section 670 of Public Law 109-364 and section 232  
18 of title 32 of the Code of Federal Regulations, as published on



1 August 31, 2007, in volume 72 of the Federal Register pertaining  
2 to the extending of consumer credit."

3 SECTION 3. Chapter 412, Hawaii Revised Statutes, is  
4 amended by adding a new section to part III of article 6 to be  
5 appropriately designated and to read as follows:

6 "§412:6- Terms of credit extended to military personnel  
7 and family members. Any savings bank that extends consumer  
8 credit to a covered borrower, as defined in section 232 of title  
9 32 of the Code of Federal Regulations, as published on  
10 August 31, 2007, in volume 72 of the Federal Register, shall  
11 comply with the provisions of section 670 of Public Law 109-364  
12 and section 232 of title 32 of the Code of Federal Regulations,  
13 as published on August 31, 2007, in volume 72 of the Federal  
14 Register pertaining to the extending of consumer credit."

15 SECTION 4. Chapter 412, Hawaii Revised Statutes, is  
16 amended by adding a new section to part III of article 7 to be  
17 appropriately designated and to read as follows:

18 "§412:7- Terms of credit extended to military personnel  
19 and family members. Any savings and loan association that  
20 extends consumer credit to a covered borrower, as defined in  
21 section 232 of title 32 of the Code of Federal Regulations, as  
22 published on August 31, 2007, in volume 72 of the Federal



1 Register, shall comply with the provisions of section 670 of  
 2 Public Law 109-364 and section 232 of title 32 of the Code of  
 3 Federal Regulations, as published on August 31, 2007, in volume  
 4 72 of the Federal Register pertaining to the extending of  
 5 consumer credit."

6 SECTION 5. Chapter 412, Hawaii Revised Statutes, is  
 7 amended by adding a new section to part III of article 9 to be  
 8 appropriately designated and to read as follows:

9 **"§412:9- Terms of credit extended to military personnel**  
 10 **and family members.** Any financial services loan company that  
 11 extends consumer credit to a covered borrower, as defined in  
 12 section 232 of title 32 of the Code of Federal Regulations, as  
 13 published on August 31, 2007, in volume 72 of the Federal  
 14 Register, shall comply with the provisions of section 670 of  
 15 Public Law 109-364 and section 232 of title 32 of the Code of  
 16 Federal Regulations, as published on August 31, 2007, in volume  
 17 72 of the Federal Register pertaining to the extending of  
 18 consumer credit."

19 SECTION 6. Chapter 412, Hawaii Revised Statutes, is  
 20 amended by adding a new section to part IV of article 10 to be  
 21 appropriately designated and to read as follows:



1           "§412:10-       Terms of credit extended to military personnel  
2 and family members. Any credit union that extends consumer  
3 credit to a covered borrower, as defined in section 232 of title  
4 32 of the Code of Federal Regulations, as published on  
5 August 31, 2007, in volume 72 of the Federal Register, shall  
6 comply with the provisions of section 670 of Public Law 109-364  
7 and section 232 of title 32 of the Code of Federal Regulations,  
8 as published on August 31, 2007, in volume 72 of the Federal  
9 Register pertaining to the extending of consumer credit."

10           SECTION 7. Chapter 477E, Hawaii Revised Statutes, is  
11 amended by adding a new section to be appropriately designated  
12 and to read as follows:

13           "§477E-       Terms of credit extended to military personnel  
14 and family members. Any creditor that extends consumer credit  
15 to a covered borrower, as defined in section 232 of title 32 of  
16 the Code of Federal Regulations, as published on August 31,  
17 2007, in volume 72 of the Federal Register, shall comply with  
18 the provisions of section 670 of Public Law 109-364 and section  
19 232 of title 32 of the Code of Federal Regulations, as published  
20 on August 31, 2007, in volume 72 of the Federal Register  
21 pertaining to the extending of consumer credit."

22           SECTION 8. New statutory material is underscored.



1 SECTION 9. This Act shall take effect upon its approval.

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INTRODUCED BY: Maureen R. Fromme

Tom Hume  
for House  
and Finance

D. O. Ogle  
Will Evers



**Report Title:**

Consumer Credit; Military

**Description:**

Requires financial institutions and creditors that extend consumer credit to the members of the armed forces or reserves on active duty and their dependents, to conform their lending practices to the federal John Warner National Defense Authorization Act for Fiscal Year 2007, as amended, relating to the terms of consumer credit extended to the military and their dependents, including maximum annual percentage rates and required disclosures.

