
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
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 shall comply with the provisions of Section 670
15 of Public Law 109-364 and Section 232 of Title 32, Code of
16 Federal Regulations, pertaining to the extending of consumer
17 credit to military personnel and family members.



1 As used in this section, "covered borrower" means a person
2 with the following status at the time the person becomes
3 obligated on a consumer credit transaction covered by this
4 section:

5 (1) A regular or reserve member of the Army, Navy, Marine
6 Corps, Air Force, or Coast Guard, serving on active
7 duty under a call or order that does not specify a
8 period of thirty days or fewer, or such a member
9 serving on Active Guard and Reserve duty as that term
10 is defined in 10 U.S.C. 101(d)(6); or

11 (2) The member's spouse, the member's child as defined in
12 38 U.S.C. 101(4), or an individual for whom the member
13 provided more than one-half of the individual's
14 support for one hundred and eighty days immediately
15 preceding an extension of consumer credit covered by
16 this section."

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

20 "§412:6- Terms of credit extended to military personnel
21 and family members. Any savings bank that extends consumer
22 credit to a covered borrower shall comply with the provisions of



1 Section 670 of Public Law 109-364 and Section 232 of Title 32,
2 Code of Federal Regulations, pertaining to the extending of
3 consumer credit to military personnel and family members.

4 As used in this section, "covered borrower" means a person
5 with the following status at the time the person becomes
6 obligated on a consumer credit transaction covered by this
7 section:

- 8 (1) A regular or reserve member of the Army, Navy, Marine
9 Corps, Air Force, or Coast Guard, serving on active
10 duty under a call or order that does not specify a
11 period of thirty days or fewer, or such a member
12 serving on Active Guard and Reserve duty as that term
13 is defined in 10 U.S.C. 101(d)(6); or
14 (2) The member's spouse, the member's child as defined in
15 38 U.S.C. 101(4), or an individual for whom the member
16 provided more than one-half of the individual's
17 support for one hundred and eighty days immediately
18 preceding an extension of consumer credit covered by
19 this section."

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



1 "§412:7- Terms of credit extended to military personnel
2 and family members. Any savings and loan association that
3 extends consumer credit to a covered borrower shall comply with
4 the provisions of Section 670 of Public Law 109-364 and Section
5 232 of Title 32, Code of Federal Regulations, pertaining to the
6 extending of consumer credit to military personnel and family
7 members.

8 As used in this section, "covered borrower" means a person
9 with the following status at the time the person becomes
10 obligated on a consumer credit transaction covered by this
11 section:

12 (1) A regular or reserve member of the Army, Navy, Marine
13 Corps, Air Force, or Coast Guard, serving on active
14 duty under a call or order that does not specify a
15 period of thirty days or fewer, or such a member
16 serving on Active Guard and Reserve duty as that term
17 is defined in 10 U.S.C. 101(d)(6); or

18 (2) The member's spouse, the member's child as defined in
19 38 U.S.C. 101(4), or an individual for whom the member
20 provided more than one-half of the individual's
21 support for one hundred and eighty days immediately



1 preceding an extension of consumer credit covered by
2 this section."

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

6 "§412:9- Terms of credit extended to military personnel
7 and family members. Any financial services loan company that
8 extends consumer credit to a covered borrower shall comply with
9 the provisions of Section 670 of Public Law 109-364 and Section
10 232 of Title 32, Code of Federal Regulations, pertaining to the
11 extending of consumer credit to military personnel and family
12 members.

13 As used in this section, "covered borrower" means a person
14 with the following status at the time the person becomes
15 obligated on a consumer credit transaction covered by this
16 section:

17 (1) A regular or reserve member of the Army, Navy, Marine
18 Corps, Air Force, or Coast Guard, serving on active
19 duty under a call or order that does not specify a
20 period of thirty days or fewer, or such a member
21 serving on Active Guard and Reserve duty as that term
22 is defined in 10 U.S.C. 101(d)(6); or



1 (2) The member's spouse, the member's child as defined in
 2 38 U.S.C. 101(4), or an individual for whom the member
 3 provided more than one-half of the individual's
 4 support for one hundred and eighty days immediately
 5 preceding an extension of consumer credit covered by
 6 this section."

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

10 "§412:10- Terms of credit extended to military
 11 personnel and family members. Any credit union that extends
 12 consumer credit to a covered borrower shall comply with the
 13 provisions of Section 670 of Public Law 109-364 and Section 232
 14 of Title 32, Code of Federal Regulations, pertaining to the
 15 extending of consumer credit to military personnel and family
 16 members.

17 As used in this section, "covered borrower" means a person
 18 with the following status at the time the person becomes
 19 obligated on a consumer credit transaction covered by this
 20 section:

21 (1) A regular or reserve member of the Army, Navy, Marine
 22 Corps, Air Force, or Coast Guard, serving on active



1 duty under a call or order that does not specify a
2 period of thirty days or fewer, or such a member
3 serving on Active Guard and Reserve duty as that term
4 is defined in 10 U.S.C. 101(d)(6); or

5 (2) The member's spouse, the member's child as defined in
6 38 U.S.C. 101(4), or an individual for whom the member
7 provided more than one-half of the individual's
8 support for one hundred and eighty days immediately
9 preceding an extension of consumer credit covered by
10 this section."

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

14 "§477E- Terms of credit extended to military personnel
15 and family members. Any creditor that extends consumer credit
16 to a covered borrower shall comply with the provisions of
17 Section 670 of Public Law 109-364 and Section 232 of Title 32,
18 Code of Federal Regulations, pertaining to the extending of
19 consumer credit to military personnel and family members.

20 As used in this section, "covered borrower" means a person
21 with the following status at the time the person becomes



1 obligated on a consumer credit transaction covered by this
2 section:


3 (1) A regular or reserve member of the Army, Navy, Marine
4 Corps, Air Force, or Coast Guard, serving on active
5 duty under a call or order that does not specify a
6 period of thirty days or fewer, or such a member
7 serving on Active Guard and Reserve duty as that term
8 is defined in 10 U.S.C. 101(d)(6); or

9 (2) The member's spouse, the member's child as defined in
10 38 U.S.C. 101(4), or an individual for whom the member
11 provided more than one-half of the individual's
12 support for one hundred and eighty days immediately
13 preceding an extension of consumer credit covered by
14 this section."

15 SECTION 8. New statutory material is underscored.

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

17

INTRODUCED BY:  _____

JAN 23 2009



Report Title:

Consumer Credit; Military

Description:

Requires financial institutions and creditors that extend consumer credit to 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.

