

JAN 23 2009

A BILL FOR AN ACT

RELATING TO CHECK CASHERS.

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

1 SECTION 1. Section 480F-4, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§480F-4 Deferred deposits, when allowed.** (a) No check
4 cashier may defer the deposit of a check except as provided in
5 this section.

6 (b) Each deferred deposit shall be made pursuant to a
7 written agreement that has been signed by the customer and the
8 check cashier or an authorized representative of the check
9 cashier. The written agreement shall contain a statement of the
10 total amount of any fees charged for the deferred deposit,
11 expressed both in United States currency and as an annual
12 percentage rate. The written agreement shall authorize the
13 check cashier to defer deposit of the personal check until a
14 specific date not later than thirty-two days from the date the
15 written agreement was signed. The written agreement shall not
16 permit the check cashier to accept collateral.



1 (c) The face amount of the check shall not exceed \$600 and
2 the deposit of a personal check written by a customer pursuant
3 to a deferred deposit transaction may be deferred for no more
4 than thirty-two days. A check casher may charge a fee for
5 deferred deposit of a personal check in an amount not to exceed
6 fifteen per cent of the face amount of the check. Any fees
7 charged for deferred deposit of a personal check in compliance
8 with this section shall be exempt from chapter 478.

9 (d) A check casher shall not enter into an agreement for
10 deferred deposit with a customer [~~during the period of time~~
11 ~~that~~] while an earlier agreement for a deferred deposit [~~for~~]
12 with the same customer is in effect. A deferred deposit
13 transaction shall not be repaid, refinanced, or consolidated by
14 or with the proceeds of another deferred deposit transaction.

15 (e) A check casher or its assignee who enters into a
16 deferred deposit agreement [~~and accepts a check passed on~~
17 ~~insufficient funds, or any assignee of that check casher~~], shall
18 not be entitled to recover damages in any action brought
19 pursuant to or governed by chapter 490. Instead, the check
20 casher may charge [~~and recover a fee for the return of a~~
21 ~~dishonored check in an amount not greater than \$20.~~] a "late
22 fee" of \$20 for any check that is in default of the signed



1 agreement and a "return fee" of \$20 for a check that is
2 dishonored by the financial institution for any reason.

3 (f) A check casher may enter into a payment plan with the
4 check writer only after receipt of a written advise from the
5 financial institution that the check has been dishonored and is
6 hereby returned for the reasons noted on the advise note. The
7 payment plan shall be a minimum of six equal payments on the
8 balance of the account and the length of the payment plan shall
9 not exceed six months.

10 [~~f~~] (g) No amount in excess of the amounts authorized by
11 this section and no collateral products such as insurance shall
12 be directly or indirectly charged by a check casher pursuant or
13 incident to a deferred deposit agreement."

14 SECTION 2. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 3. This Act shall take effect on July 1, 2009.

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INTRODUCED BY:

Will Eger



Report Title:

Check Cashing; Deferred Deposit

Description:

Prohibits check cashers or assignees who enter into deferred deposit agreements from recovering damages under chapter 490. Allows a check casher to charge a late fee and a return fee for checks dishonored by a financial institution. Allows a check casher to enter into a payment plan if a check is dishonored.

