



**GOV. MSG. NO. 1352**

EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

July 06, 2012

The Honorable Shan Tsutsui, President  
and Members of the Senate  
Twenty-Sixth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

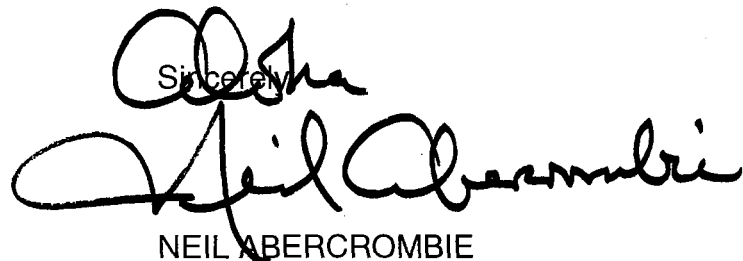
The Honorable Calvin Say, Speaker  
and Members of the House  
Twenty-Sixth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on July 06, 2012, the following bill was signed into law:

HB2409 SD1

RELATING TO CONSUMER PROTECTION.  
**Act 249 (12)**

Sincerely,  


NEIL ABERCROMBIE  
Governor, State of Hawaii

RECEIVED  
SENATE  
OFFICE OF THE PRESIDENT

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Approved by the Governor

ORIGINAL

on JUL 6 2012

ACT 249

HOUSE OF REPRESENTATIVES  
TWENTY-SIXTH LEGISLATURE, 2012  
STATE OF HAWAII

H.B. NO. 2409  
S.D. 1

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## A BILL FOR AN ACT

RELATING TO CONSUMER PROTECTION.

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

1 SECTION 1. The legislature finds that members of the  
2 military and their dependents are increasingly vulnerable to  
3 unscrupulous and predatory lending practices. These practices  
4 create a cycle of debt, thus detracting from military members'  
5 financial well being and military readiness. The John Warner  
6 National Defense Authorization Act for Fiscal Year 2007 (Public  
7 Law No. 109-364) contains provisions that place limits on the  
8 terms of credit that may be extended to military members and  
9 their dependents. This federal act and the regulations that  
10 implement it are designed to protect military members and their  
11 families from unfair lending practices that are commonly used by  
12 issuers of payday loans, vehicle title loans, and tax refund  
13 anticipation loans. While the federal regulations do not  
14 designate an enforcement agency within the federal government,  
15 they do not limit states from enforcing the federal law.  
16 Therefore, the legislature also finds that assistance from state  
17 regulators is essential to enforcing the law and protecting  
18 military service members and dependents from fraud, deception,



1 and abusive practices. The legislature further finds that, in  
2 order to enforce the law, state authorities should be authorized  
3 to access the Federal Trade Commission's Military Sentinel  
4 Network, which provides a secure database of allegations of  
5 fraud, deception, and abusive practices reported by military  
6 service members.

7 The purpose of this Act is to authorize the director of  
8 commerce and consumer affairs to enforce certain federal laws  
9 that protect military members and their families from abusive  
10 lending practices.

11 SECTION 2. Chapter 481B, Hawaii Revised Statutes, is  
12 amended by adding a new section to be appropriately designated  
13 and to read as follows:

14 "§481B- Protection of military; lending practices. (a)  
15 The director of commerce and consumer affairs may enforce Title  
16 10 United States Code section 987, (section 670 of the John  
17 Warner National Defense Authorization Act for Fiscal Year 2007,  
18 Public Law No. 109-364), and federal regulations promulgated  
19 thereunder, including but not limited to Title 32 Code of  
20 Federal Regulations Part 232.

21 (b) The director of commerce and consumer affairs may  
22 enter into an agreement with the United States Federal Trade

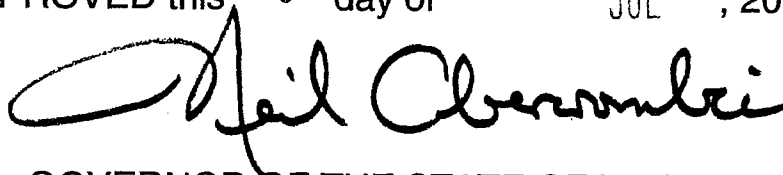


1 Commission to allow the director to access the Military Sentinel  
2 Network maintained by the Federal Trade Commission for the  
3 purpose of enforcing subsection (a)."

4 SECTION 3. New statutory material is underscored.

5 SECTION 4. This Act shall take effect upon its approval.

APPROVED this 6 day of JUL , 2012



GOVERNOR OF THE STATE OF HAWAII

