HAWAII FINANCIAL SERVICES ASSOCIATION

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February 24, 2016

Senator Jill N. Tokuda, Chair Senator Donovan M. Dela Cruz, Vice Chair and members of Senate Committee on Ways and Means Hawaii State Capitol Honolulu, Hawaii 96813

Re: Senate Bill 2101, S.D. 1 (District Court Small Claims) Decision making Date/Time: Wednesday, February 24, 2016, 1:00 p.m.

I am Marvin Dang, the attorney for the **Hawaii Financial Services Association** ("HFSA"). The HFSA is a trade association for Hawaii's consumer credit industry. Its members include Hawaii financial services loan companies (which make mortgage loans and other loans, and which are regulated by the Hawaii Commissioner of Financial Institutions), mortgage lenders, and financial institutions.

The HFSA supports this Bill as drafted.

The purposes of this Bill are to: (a) establish Small Claims Division's exclusive jurisdiction of cases for amounts of \$1,000 or less; (b) allow the plaintiff to request removal of small claims cases to be heard in ordinary procedures of the District Court when a counterclaim is filed; (c) allow a plaintiff to file cases in either the Small Claims Division or Regular Claims Division of the District Court if the plaintiff is represented by an attorney; (d) prohibit the award of attorney's fees in cases for amounts of \$1,000 or less exclusive of interests and costs if the plaintiff is represented by an attorney, and the District Court has concurrent jurisdiction with the Small Claims Division of District Court. This Bill would take effect on January 1, 2017.

The Senate Judiciary & Labor Committee ("JDL") and the Senate Commerce, Consumer Protection & Health Committee ("CPH") held a hearing on the original version of this Bill on February 12, 2016.

At the JDL/CPH hearing, the original version of this Bill was opposed by the HFSA, the Collection Law Section of the Hawaii State Bar Association, the Hawaii Bankers Association, the Hawaii Credit Union League, and others. The HFSA and others testified that this Bill should be amended to allow a plaintiff represented by an attorney to file cases of \$1,000 or less in either in the Small Claims Division or in the Regular Claims Division of the District Court. The HFSA testimony included a draft of the proposed amendment.

In the S.D. 1 version of this Bill, JDL/CPH adopted the language suggested by the HFSA to allow a plaintiff to file cases in either the Small Claims Division or Regular Claims Division of the District Court if the plaintiff is represented by an attorney.

Accordingly, the HFSA supports the S.D. 1 version of this Bill.

Thank you for considering our testimony.

Marin S.C. Sang-

MARVIN S.C. DANG Attorney for Hawaii Financial Services Association • • •• ''

<u>SB2101</u>

Submitted on: 2/23/2016 Testimony for WAM on Feb 24, 2016 13:00PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Rachel L. Kailianu	Ho`omana Pono, LLC	Oppose	Yes

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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<u>SB2101</u>

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Submitted By	Organization	Testifier Position	Present at Hearing
Rachel L. Kailianu	Individual	Oppose	Yes

Comments:

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