



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
TWENTY-NINTH LEGISLATURE, 2017**

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**ON THE FOLLOWING MEASURE:**

H.B. NO. 193, H.D. 1, RELATING TO PROPERTY.

**BEFORE THE:**

HOUSE COMMITTEE ON FINANCE

**DATE:** Thursday, February 23, 2017 **TIME:** 1:00 p.m.

**LOCATION:** State Capitol, Room 308

**TESTIFIER(S):** Douglas S. Chin, Attorney General, or  
Ryan S. Endo, Deputy Attorney General, or  
Michael S. Vincent, Deputy Attorney General

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Chair Luke and Members of the Committee:

The Department of the Attorney General (“the Department”) offers comments and concerns on this bill and writes to advise the committee that the proposed amendments to the statute will likely make it more difficult to collect moneys owed to the state. This bill would effectively prohibit creditors, including state agencies, from using judgment liens to collect moneys owed to creditors.

Section 2 of the bill, page 2, lines 12-21, amends section 651-92(a), Hawaii Revised Statutes (HRS). The amendment, among other things, changes the property exemption from \$30,000 to \$275,000. The amendment enables debtors to shelter money from creditors, including state agencies, in the form of equity in a property, up to \$275,000. This would include a home of any value. Because the amendments do not affect judgment creditors who execute before July 1, 2017, a large number of foreclosure actions may take place prior to July 1, 2017, as judgment liens are usually enforced upon the sale of property.

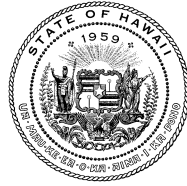
Section 3 of the bill, page 5, line 5 and lines 6-7, amends section 651-121(1) and (2), HRS, to increase the values of personal property. The amendment to section 651-121(1) exempts from attachment and execution of certain personal property, up to an aggregate value not exceeding \$5000. This amendment would allow debtors to shelter up to \$5000 from creditors by purchasing personal property such as gold, diamonds, luxury watches, jewelry, and other high value, low volume commodities. Section 651-

121 (1) previously limited the personal property exemption to an aggregate cash value not exceeding \$1,000. The amendment to section 651-121(2), HRS, exempts from attachment and execution of the fair market value of a car up to \$15,000 above any liens or encumbrances. Section 651-121(2) previously limited the motor vehicle exemption to \$2,575. The amendment enables debtors to shelter up to \$15,000 from creditors, in the form of equity in a car.

Thank you for the opportunity to testify.

DAVID Y. IGE  
GOVERNOR

SHAN TSUTSUI  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
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MARIA E. ZIELINSKI  
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE  
DEPUTY DIRECTOR

To: The Honorable Sylvia Luke, Chair  
and Members of the House Committee on Finance

Date: Thursday, February 23, 2017

Time: 1:00 P.M.

Place: Conference Room 308, State Capitol

From: Maria E. Zielinski, Director  
Department of Taxation

Re: H.B. 193, H.D. 1 Relating to Property

The Department of Taxation (Department) appreciates the intent of H.B. 193, H.D. 1, and provides the following comments for your consideration.

H.B. 193, H.D. 1, makes changes to the exemption of real property from attachment and execution under section 651-92, Hawaii Revised Statutes (HRS). Among other things, the amendments indicate that the exemption from attachment will not apply if a debtor is delinquent in payment of income taxes, real property taxes, or a mortgage. The measure has a defective effective date of July 1, 2112.

First, the exclusion from the exemption to attachment in this measure needs to be clarified. As written, real property would be open to attachment by any creditor if the taxpayer is delinquent in the payment of income tax by any amount, or if the taxpayer is delinquent for any period of time. The exclusion also applies only to debt from income tax and real property tax, but not to debt arising from, for example, the general excise tax.

It is also unclear at what point in time a taxpayer's delinquency affects the attachment of property. For example, would the exemption be denied if a taxpayer is current with their income tax obligations when the creditor's claim arises but becomes delinquent prior to a writ of attachment being issued? Or would the exemption be denied if a taxpayer is current with their income tax obligations when the writ is issued but becomes delinquent before the writ is recorded with the Bureau of Conveyances or before the writ is executed upon? The exemption as currently written may allow for the disallowance of the exemption in both of the scenarios. The Department suggests clarifying the exemption provision to avoid any unintended consequences.

Second, besides being informed by a debtor, a creditor would only have knowledge of tax delinquency if a tax lien is filed. The Department cannot reveal confidential tax information to

third parties without a statutory exemption or taxpayer authorization allowing it to do so. The Department suggests adding a provision that requires the debtor to provide a written authorization to the creditor allowing the Department to release the relevant tax information.

Thank you for the opportunity to provide comments.



TIM VANDEVEER  
Chair

MARGARET WILLE  
SEAN SMITH  
Legislation Committee Co-Chairs

February 23, 2017

**IN SUPPORT OF HB193HD1 “Relating to Property”**

Representative Sylvia Luke, Chair  
Representative Ty Cullen, Vice Chair  
House Committee on Finance  
February 23, 2017 1:00 p.m. State Capitol Conference Room 308

**Submitted On Behalf of the Democratic Party of Hawai‘i**

The Democratic Party of Hawai‘i supports HB193HD1 “Relating to Property” which updates the statutory exemptions from attachment or execution of real or personal property. HB193HD1 is important in the effort to protect families from sliding into poverty, the consequences of which are extremely costly to the State and taxpayers. **Passage of this legislation is one of DPH’s legislative priorities for the 2017 legislative session.** Please pass this bill out of committee.

Mahalo for the opportunity to testify on this bill.

Respectfully submitted,

Tim Vandaveer  
Chair of the Democratic Party of Hawai‘i

/s/ Margaret Wille  
/s/ Sean Smith  
Legislative Committee Co-chairs



## Collection Law Section

**Chair:**  
Steven Guttman

**Vice Chair:**  
William J. Plum

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William J. Plum  
David B. Rosen  
Andrew Salenger  
Mark T. Shklov  
Yuriko J. Sugimura  
Thomas J. Wong  
Reginald K.T. Yee

*Reply to:* **STEVEN GUTTMAN, CHAIR**  
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E-MAIL: sguttman@kdubm.com

February 22, 2017

Representative Sylvia Luke, Chair  
Representative Ty J. K. Cullen, Vice-Chair  
House Committee on Finance

**Re: HB 193, HD 1 Relating to Property**  
**Hearing: Thursday, February 23, 2017, 1:00 p.m.**

Dear Chair Luke, Vice-Chair Cullen and Members of the Committee:

This testimony is being submitted on behalf of the Collection Law Section of the Hawaii State Bar Association ("CLS")<sup>1</sup>.

The CLS has submitted testimony regarding previously proposed legislation to revise certain provisions of Chapter 651 of the Hawaii Revised Statutes as they relate to exempting certain property from execution and attachment. The CLS has serious concerns as to the proposed changes set forth in HB 193, HD 1.

HB 193, HD1 revised the original bill which proposed to amend the personal property provision of Section 651-121(a) from \$1,000 to "the fair market value of such items as adjusted by the most recent consumer price index". The revision changing the exemption figure from \$1,000 to \$5,000 is reasonable and, as revised, this provision is not opposed by the CLS.

The proposed legislation increases the automobile exemption from \$2,575 to \$15,000. The \$2,575 exemption figure was established by the Legislature in 1999. It is the CLS' position that the automobile exemption amount should not be increased to accommodate luxury vehicles. The Bankruptcy Code, which periodically adjusts the automobile exemption for inflation, currently sets the vehicle exemption at \$3,775. If the goal of HB 193 is to assist the average working

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<sup>1</sup> The comments and recommendations submitted reflect the position and viewpoint of the Collection Law Section of the Hawaii State Bar Association ("HSBA"). The position and viewpoint have not been reviewed or approved by the HSBA Board of Directors and is not necessarily the same as the position held by the HSBA.

individual rather than reward the spendthrift, any increase in the exemption amount should be consistent with what has been the traditional standards set by prior legislation.

The CLS concurs with the intent of HB 193 to raise the real property exemption limit, which was set in 1978. However, for the reasons enumerated below, we oppose the proposed amendments to Section 651-92, as currently stated in HD 1:

1. In its present form, HB 193, HD 1 increases the real property exemption to \$275,000 but fails to retain the requirement that the property must be the debtor's residence; failure to retain the homestead character of this exemption provides a loophole for a debtor to exempt investment property, which is inconsistent with the intention of the statute.
2. Setting a high exemption amount opens the door for abuse by sophisticated debtors. As with the automobile exemption, the dollar figure should not reward financial irresponsibility.
3. The intended goal of the homestead exemption is to ensure that a debtor has sufficient funds to acquire replacement housing, not to create an economic windfall at the expense of his/her creditors. For example, under HB 193, HD 1, most debtors with real property would be rendered judgment proof against a tort judgment creditor whose damages arose from an intentional tort such as a drunk driving incident, an assault or fraud.

Section 651-92 (c), as proposed, makes the debtor "who is delinquent in payment of income taxes, real property taxes, or a mortgage" unable to qualify for any exemption. This is the type of legislation that has the potential to increase our State's homeless population. The idea behind the homestead allowance is to allow an individual the resources to obtain substitute housing. Absent such an exemption, the individual's ability to obtain substitute housing is significantly handicapped. It is the person who is having problems paying his or her mortgage or tax obligations that is most in need of the homestead allowance. It should also be noted that any sale involving Chapter 651 will result in the payment of real property taxes.

Re: HB 193, HD 1  
Page Three

The CLS is also concerned that the proposed legislation provides for an effective date of July 1, 2017. Debtors currently in discussion with a creditor to resolve a debt may find the creditor terminating the discussion and immediately proceeding with an execution sale. Further, a constitutional issue may exist with respect to terminating the right of an existing creditor to proceed with an execution sale. As such, the provision should be revised to exclude any creditor currently holding an existing lien from the proposed increase in exemption limits.

Current law exempts child support from attachment or execution. It is the CLS' position that no public purpose is served by limiting the child support exemption to a one month period.

The CLS would like to participate in a dialogue to establish exemption amounts that are consistent with the underlying goals of the original legislation. We are concerned that the proposed legislation may benefit dishonest debtors, such as those who have defrauded consumers through Ponzi schemes, while honest creditors are handicapped in recovering funds to which they have a legal right.

Thank you for considering these comments.

Sincerely,



STEVEN GUTTMAN,  
President  
Collection Law Section

cc: Patricia A. Mau-Shimizu, HSBA





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Presentation To  
House Committee on Finance  
February 23, 2017 at 1:00 PM  
State Capitol Conference Room 308

**Testimony in Opposition to House Bill 193, HD1**

TO: The Honorable Sylvia Luke, Chair  
The Honorable Ty J. K. Cullen, Vice Chair  
Members of the Committee

My name is Edward Pei and I am the Executive Director of the Hawaii Bankers Association (HBA). HBA is the trade association representing eleven FDIC insured depository institutions with branch offices in the State of Hawaii.

The Hawaii Bankers Association opposes House Bill 193, similar to our opposition to HB 375 which was considered in the 2015 and 2016 legislative sessions. This measure prohibits creditors from using judgement liens to collect moneys owed by borrowers. It will further hamper the ability of creditors to recover payments from borrowers in default of their loan obligations. As a result, lenders may have to be more stringent in their credit underwriting criteria, especially for unsecured and other open-ended loans, thus reducing availability of these popular and convenient credit products for the very consumers this measure is attempting to protect.

There are other flaws in this measure and we incorporate by reference the various concerns raised in the testimonies of the Hawaii Financial Services Association and the Collection Law Section of the Hawaii State Bar Association.

Thank you for the opportunity to submit this testimony and please let us know if we can provide further information.

A handwritten signature in black ink, appearing to read 'Edward Y. W. Pei', is centered on the page.

Edward Y. W. Pei  
(808) 524-5161

# HAWAII FINANCIAL SERVICES ASSOCIATION

c/o Marvin S.C. Dang, Attorney-at-Law

P.O. Box 4109

Honolulu, Hawaii 96812-4109

Telephone No.: (808) 521-8521

February 23, 2017

Rep. Sylvia Luke, Chair  
Rep. Ty J.K. Cullen, Vice Chair  
and members of the House Committee on Finance  
Hawaii State Capitol  
Honolulu, Hawaii 96813

Re: **H.B. 193, H.D. 1 (Property)**  
**Hearing Date/Time: Thursday, February 23, 2017, 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 **opposes** this Bill.

This Bill: (a) increases the value amounts applicable to qualifying for an exemption from attachment or execution of real and personal property; and (b) exempts one month of child support and spousal support in the possession of the debtor-recipient of support from attachment or execution.

During the 2015 and 2016 Legislative Sessions, a bill with similar purposes was heard in the House. The HFSA submitted testimonies opposing that bill which did not pass the Legislature.

The HFSA similarly opposes H.B. 193. This Bill, as drafted, does not seem to be sound public policy. We believe that some of the proposed changes in this Bill will enable and encourage certain debtors, who have properties with a lot of equity, to avoid paying their contractual obligations and to shelter their assets from creditors.

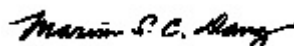
We object to a provision under this Bill which would allow a debtor to shelter from creditors up to \$275,000 in equity in a real property regardless of whether the property is owner-occupied or owned as an investment, and regardless whether the property is a residential or commercial. Currently the exemption amounts are either \$20,000 or \$30,000.

An unintended consequence of this Bill is that consumers and other borrowers could be negatively impacted. That’s because if this Bill passes, lenders and other creditors might need to tighten their underwriting standards for unsecured loans or other unsecured credit to ensure that the lenders and creditors get paid the monies that are owed.

We join in the testimony submitted by the Collection Law Section of the Hawaii State Bar Association which has concerns about this Bill.

Accordingly, we ask that your Committee “defer” this Bill and not pass it.

Thank you for considering our testimony.



MARVIN S.C. DANG

Attorney for Hawaii Financial Services Association

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 21, 2017 8:28 PM  
**To:** FINTestimony  
**Cc:** lila.mower@gmail.com  
**Subject:** \*Submitted testimony for HB193 on Feb 23, 2017 13:00PM\*

**HB193**

Submitted on: 2/21/2017

Testimony for FIN on Feb 23, 2017 13:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lila Mower	Hui `Oia`i`o	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, 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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Testimony to the House Committee on Finance  
February 23, 2017

Testimony in Opposition to HB 193 HD1, Relating to Property

To: The Honorable Sylvia Luke Chair  
The Honorable Ty Cullen, Vice-Chair  
Members of the Committee

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for 61 Hawaii credit unions, representing over 800,000 credit union members across the state. We are opposed to HB 193 HD1.

Almost all of Hawaii's credit unions currently offer mortgages or other forms of credit to their members. Credit unions are nonprofit organizations whose members ultimately bear any losses. Occasionally, members default in payment of their obligations, and a credit union may have to take legal action to collect the debt. If the credit union cannot collect the debt, its members suffer the loss.

Thus, we oppose HB 193 HD1, and concur with the testimony presented by the Collection Law Section of the Hawaii State Bar Association.

Thank you for the opportunity to provide comments.

**Barbara L. Franklin, Esq.,  
Attorney at Law**

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February 22, 2017

TESTIMONY

HB 193

February 23, 2017

1:00 p.m.

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair

Rep. Ty J.K. Cullen, Vice Chair

And Member of the Committee

I am testifying in support of HB 193.

I am a bankruptcy lawyer and have seen the effect of the economy on individual lives during the past almost thirty years. Exemptions are a key safety net for the middle class and the working poor. It is no secret that the middle class is shrinking. A living wage is out of reach for many in service industries and agriculture. The real question to ask is whether the legislature can continue to support a population with greater and greater needs for government benefits or should the legislature empower individuals to build their own safety net.

In Hawaii, a creditor that sues a consumer and wins a judgment can seize income, personal property, bank accounts, and lien real property including a home that is essential to the basic economic well-being of the debtor and the debtor's family. Hawaii has dangerous gaps in exemptions and the legislature has not updated the exemptions for 38 years. Instead of shielding essential assets, Hawaii is fertile ground for creditors to conduct abusive collection practices.

Their creditors know that they can legally threaten to take assets that the person needs to make a living, a car, wages, or even a house. We all know that a creditor can take assets that you knowingly gave as collateral for the loan, such as a car, but should they be able to also take other assets? Even the possibility of taking other assets, to the debtor who lacks the knowledge to protect themselves, is enough to cause that person to liquidate assets they will need in the future, their retirement funds, 401Ks, or other assets, because they are desperately trying to pay their bills.

Exemptions allow a debtor to keep certain assets out of the reach of creditors. Depending on the amount of the exemption and the value of their assets, under the current law, creditors are entitled to those non-exempt assets. Usually, that scenario plays out in a bankruptcy case where most non-exempt assets are on the table and available for the trustee to liquidate for the benefit of creditors.

The original legislative intent has been thwarted by the passage of time. According to the U.S. Department of Labor, Bureau of Labor Statistics, \$20,000 in 1978, when the current homestead exemption, Haw. Rev. Stat. § 651-92, became effective the dollar amounts were equivalent to \$70,614 in 2012, more than triple the amount currently in the statute. Clearly the homestead exemptions need to be raised and/or indexed to recover for inflation.

The financial stability of a family or an individual is often dependent on the ability to earn compensation over a long period of time not only to build a household, a family, and a safety net, but to provide for the next generation to be self-sufficient and to provide for one's elderhood without being a burden on government benefits. Not every person can be in the top 10% of earnings. Who grows the food and brings you dinner when you dine out; who makes that dinner; who washes those dishes? At \$8.50 per hour, Hawaii's minimum wage is higher than two dozen states. But when you adjust for the high cost of living in the islands, that wage is worth much less, according to a new analysis by the Washington Post. <http://www.civilbeat.com/2015/07/the-cost-of-living-in-hawaii-means-the-minimum-wage-is-really-only-6-67/>

The fallacy of debtors hiding assets from creditors and amassing debt in anticipation that creditors cannot reach their assets, is just that, a domesday reading of the language of this bill. For the large majority of consumers, if a person has a credit score that is low, they will not be entitled to easy credit and will not be able to afford luxury goods, cars, gold, etc., let alone amass a large amount of debt. If a person has a high credit score they are either paying their debts as they come due or paying the minimum amount due at a relatively high interest rate. Creditors can easily cut credit lines, reduce available credit, or escalate the interest rates for risky borrowers. Persons with low credit scores must pay their bills regularly to climb that credit score ladder to even buy a house, let alone an affordable car.

I had a case where the elderly debtors had some equity in their house. They are living on social security and meager sales of vintage collectibles, but not enough to pay all of their bills. If their house is worth \$180,000 and they owe \$90,000, they would only get \$30,000 homestead exemption and a trustee would get the rest to pay creditors. Can they buy another house for \$30,000? How long could they rent before those funds are gone? Maybe for two years they could rent if they don't need the money to replace the car or have medical treatment then they would be relying on government benefits.

A person who is current on their taxes, whether it be real property, general excise, income, or current on mortgage payments is more than likely guard their credit standing to be able to use credit when needed. The likelihood of a debtor going on a binge buying spree to max out credit cards and avoid paying creditors by using the protections of exemptions, is also not likely given most consumers self-interest in stability, good credit, and status in the community. Bad credit carries its own self-executing stigma when a consumer is facing possible background checks for employment, government service, and new credit. Bad credit stays on a credit report for 7 to 10 years.

Homestead exemptions are not the sole source of asset protection. For our most vulnerable populations, asset protection is an elusive goal. Asset protection already exist for consumers and business owners who own their real property as tenants by the entirety and do not have joint debts, regardless of whether the real property is a residence or not. The protection against judgment liens is extended to those couples who are entitled to take title as tenants by the entirety prior to the extension of credit to one of the couple, unless they voluntarily agree to liability. Protections already exist for certain corporate, partnership and limited liability company assets that cannot be reached by creditors of one of the shareholders, partners, or members of an entity owned by more than one interest holder. Those persons who can avail themselves of asset protections through planning and other legal shields, unlike most unsophisticated home owners, are more likely to have higher personal liability in a financial crises because they planned for protections.

Consumers who have \$31,000 or more in equity in their homes are not protected, no matter how long they have owned the home and no matter what financial disaster has occurred. Death of a spouse, temporary or permanent disability, job losses, taking on elderly family members without means to support themselves, can cause catastrophic financial debts. Creditor action can push debtors into liquidating assets needed for long term stability unless the debtors file for bankruptcy to exempt certain assets.

One of the best ways to deal with debt is to negotiate with creditors, but most people do not know how and creditors will not tell them how. A good consumer attorney can evaluate what is available to creditors as non-exempt property. If assets are at risk of liquidation in a bankruptcy case then the debtor must pay the creditors the value of those non-exempt assets; however, without the protection of federal bankruptcy court and a thorough evaluation of their assets, most people will give into the demands of creditors and liquidate assets that would otherwise be protected. CREDITORS KNOW THAT. A BETTER EXEMPTION SCHEME WOULD GIVE DEBTORS MORE TOOLS TO NEGOTIATE WITH CREDITORS AND CREDITORS WOULD BE LESS AGGRESSIVE.

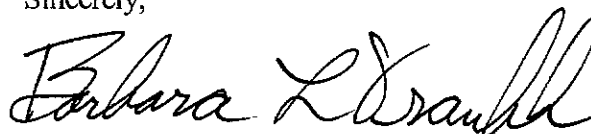
If this legislation or similar legislation is not passed, we will continue to see a rise in bankruptcy filings when creditors become aggressive and the possibility of collection against non-exempt assets is threatened. Any time there is a financial crises, whether it is on a personal level or a systemic level, such as what was recently experienced after 9/11, or during the “Great Recession,” the choice of bankruptcy or liquidation is available.

There are sufficient creditor remedies in the statutes, both federal bankruptcy laws and state fraudulent conveyance laws to protect creditors from dishonest debtors. Debtors who binge on credit before filing bankruptcy are not likely to receive a discharge because aggressive actions by creditors or the United States Trustee Program to dismiss such cases resulting in stopping the entry of a discharge. Ponzi schemes do not protect the assets of a dishonest debtor in a federal bankruptcy case. See U.S. C. sec. 523 (a) (2). Exemptions do not provide practical protection to a debtor from being required to pay non-dischargeable debt after a bankruptcy case.

Most judgment creditors in Hawaii will garnish wages before they will try to collect from the debtor's personal possessions. In Hawaii, garnishment of wages is a continuing garnishment and is the most likely source of funds to pay most judgment creditors. That collection scheme is not touched by this legislation. Gold and precious metals and gems should not be considered "household goods" under any exemption scheme, unless they are actively used by the judgment debtor or members of their household. While that presents some proof problems, no protections should be given items placed in a safe deposit box with the exception of important personal papers. The existing H.R.S. section 651-121 does state the \$1,000 limit on watches, jewelry, and "items of personal adornment." Raising the limit does not remove the requirement that the item be for personal adornment. The proposed legislation for raising the exemption for household goods is not necessary. Other than items of personal adornment, the statute does not provide a dollar limit for the ordinary and necessary household furnishings and wearing apparel "personally used" by the debtor and family. As for other unlimited exemptions, Hawaii has always had an unlimited exemption for "tools of the trade" whether it is a contractor's vehicle or a Stradivarius violin.

This legislation is worthy of consideration for the impact it will have on the middle class and working poor. Can the legislature continue to support a population with greater and greater needs for government benefits or should the legislature empower individuals to create their own safety net. Indexing exemptions can be made a part of the exemption scheme and there are good examples in other states and in the bankruptcy code. With sufficient clarity for creditors, yes, they will take steps to improve their positions, and a fair and just exemption scheme will give them the tools to calculate who and when to give credit to. Adding consumer education component to the education curriculum would also improve individual's understanding of the credit markets and consumer finance.

Sincerely,

A handwritten signature in black ink that reads "Barbara L. Franklin". The signature is written in a cursive, flowing style.

Barbara L. Franklin, Esq.  
Attorney at Law



**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 21, 2017 1:28 PM  
**To:** FINTestimony  
**Cc:** JAMESLOGUE412@GMAIL.COM  
**Subject:** \*Submitted testimony for HB193 on Feb 23, 2017 13:00PM\*

**HB193**

Submitted on: 2/21/2017

Testimony for FIN on Feb 23, 2017 13:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
James Logue	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, 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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**Sent:** Wednesday, February 22, 2017 10:06 AM  
**To:** FINTestimony  
**Cc:** frankiestapleton@gmail.com  
**Subject:** Submitted testimony for HB193 on Feb 23, 2017 13:00PM

**HB193**

Submitted on: 2/22/2017

Testimony for FIN on Feb 23, 2017 13:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Frances K. (Frankie) Stapleton	Individual	Support	No

Comments: Testimony on HB193 HD1 for the House Committee on Finance Aloha e Chair Luke, Vice Chair Cullen and members of the Committee on Finance, Thank you for this opportunity to testify in strong favor of HB193. A resident of Hawaii for the past 47 years, currently a retired journalist and school teacher living in Puna, one of the poorest communities in the state, I urge you to help those in the burgeoning lower economic strata be granted the kinds of asset protections as those protecting the assets of the upper economic echelons and corporations, who have had paid lobbyists to push legal limitations on seizure of their assets. I had no idea that Hawaii laws let creditors take essential assets that were never documented or given as collateral for a loan. Too many loan companies, creditors and collection agencies here prey on the vulnerable: the uneducated poor, the elderly and disabled, the young and inexperienced. The state needs to curtail such financial companies' abilities to legally threaten to go after a debtor's and the debtor's family's various assets that were not included in a loan. As a young woman in the 1960s, banks and businesses would not even count my full-time income when my husband and I applied for credit, even a \$200 Sears card. Working-class wives were financially ineligible as they were expected to get pregnant and quit their jobs. Times have really changed. For the past decade or more, my 51-year-old mentally disabled daughter has been inundated with credit companies' offers despite the fact that she is unable to pay her bills and local businesses will no longer take her checks or credit cards. But still they come. And they will send people to testify here today how "these people" cheat and hide assets to take advantage of "the system." Survival for the working poor families where I live is often if not usually just one unexpected disasterous "emergency" that may mean loss of a job or jobs, homelessness, separation of families: that slippery slope into generational poverty. Please pass HB193 HD1 to give these Hawaii citizens protections of the little they are able to accumulate that was not on the table as collateral when they signed up for credit. Banks and financial loan institutions need to tighten up their own rules instead of marking the easy targets. And the poor and other vulnerable people need similar consumer protections as those with greater financial resources, including costly legal services. Thank you for your consideration of this plea. Malama pono. Frances K.

(Frankie) Stapleton 14-803 Crystal Circle Pahoia, HI 96778 PH: 808.965.8945

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, February 22, 2017 6:42 AM  
**To:** FINTestimony  
**Cc:** lourdes10@me.com  
**Subject:** Submitted testimony for HB193 on Feb 23, 2017 13:00PM

**HB193**

Submitted on: 2/22/2017

Testimony for FIN on Feb 23, 2017 13:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lourdes Scheibert	Individual	Support	No

Comments: I support HB193 to help families keep their homes

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**Sent:** Tuesday, February 21, 2017 10:41 PM  
**To:** FINTestimony  
**Cc:** sunnymakaha@yahoo.com  
**Subject:** Submitted testimony for HB193 on Feb 23, 2017 13:00PM

**HB193**

Submitted on: 2/21/2017

Testimony for FIN on Feb 23, 2017 13:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dale A. Head	Individual	Support	No

Comments: This bill is about social justice and I support it. Please pass this bill.

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**HB193**

Submitted on: 2/22/2017

Testimony for FIN on Feb 23, 2017 13:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
William	Individual	Support	No

Comments: I think this bill is a good idea and should be passed.

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**HB193**

Submitted on: 2/22/2017

Testimony for FIN on Feb 23, 2017 13:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ann S Freed	Individual	Support	No

Comments: Aloha Chair, Vice Chair and members, I support this bill designed to help the working poor and prevent homelessness. Ann S. Freed, Resident Mililani

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**LATE**

**GUARDIAN CAPITAL MANAGEMENT  
HAWAII LLC**

Testimony to the House Committee on Consumer Protection & Commerce  
February 22, 2017

Testimony in Opposition to HB 193, Relating to Property

To: The Honorable Angus McKelvey, Chair  
and Members of the Senate Committee on Consumer Protection and Commerce

Members of the Committee

My name is Kevin Shiinoki, and I am the President of Guardian Capital Management Hawaii. We are a full-service collection agency serving over 500 businesses across the state. Our clients include banks, credit unions, medical and dental practices, schools, CPA's, and many mom and pop local businesses.

We are opposed to HB 193.

All of our clients currently extend credit to their customers in the form of loans or payment plans. Because of the size of the exemptions you are considering, it would be almost impossible for a small business to enforce a contract against someone who refused to honor their obligations. If these businesses were not able to keep their doors open due to losses, the community would suffer a loss of jobs and the state would lose tax revenue.

As many other organizations have already testified, this bill as written will have many unintended consequences. For these reasons, we oppose HB 193.

Thank you for the opportunity to provide comments.

A handwritten signature in black ink, appearing to read 'K. Shiinoki', with a large circular flourish at the end.

Kevin Shiinoki