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Testimony of the Department of Commerce and Consumer Affairs

Before the
House Committee on Consumer Protection and Commerce
Tuesday, March 12, 2024
2:00p.m.
Conference room 329

On the following measure:
S.B. 2112, RELATING TO INSTALLMENT LOANS.

Chair Nakashima and Members of the Committee:

My name is Iris Ikeda, and I am the Commissioner of the Department of Commerce and Consumer Affairs' Division of Financial Institutions (DFI). The Department supports this bill.

The purpose of this bill is to focus the law on its intended scope, installment lenders, and clarify that the law is not intended to eliminate the ability of lenders to make low interest rate loans under the interest and usury law. Removes the term "consumer loan" to consistently use the defined term "installment loan" in the statute.

Currently, the installment loan law includes the term consumer loan in the definition of installment lender. Working with the industry, DFI proposes to update the definition of "installment lender" by inserting the term "installment loan" in place of the term "consumer loan", thereby consistently using the defined term, "installment loan".

Thank you for the opportunity to testify, and we respectfully ask the Committee to pass this bill.