

ACT 152

H.B. NO. 188

A Bill for an Act Relating to Credit Services Organizations.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 481B, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§481B- Credit repair organizations.** (a) No person shall:

- (1) Solicit or induce a consumer to pay money or other valuable consideration based on false representations that the person can erase, correct, repair, alter, or otherwise modify an accurately reported consumer credit history;
- (2) Solicit or induce a consumer to pay money or other valuable consideration for the referral of a consumer to a credit granting entity, if that person knows or has reason to know that the consumer will be granted credit, if at all, by the entity on substantially the same terms as those available to the general public;
- (3) Make or counsel or advise a consumer to make any statement which is untrue or misleading or that the person should know by the exercise of reasonable care to be untrue or misleading, to a credit reporting agency or to any credit granting entity with respect to that customer's credit worthiness, credit standing, or credit capacity; or

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(4) Provide advice or assistance with regard to any of the foregoing activities.

(b) For the purposes of this section, "consumer" means a natural person acting in his or her own personal capacity.

(c) Any violation of this section shall constitute an unfair or deceptive act or practice in the conduct of trade or commerce under section 480-2."

SECTION 2. New statutory material is underscored.<sup>1</sup>

SECTION 3. This Act shall take effect upon its approval.

(Approved June 7, 1989.)

### Note

1. Edited pursuant to HRS §23G-16.5.