

SENATE BILL REPORT

SB 5483

As of February 4, 2005

Title: An act relating to small loans.

Brief Description: Offering a small loan borrower a repayment option.

Sponsors: Senators Fairley, Kline and Franklin.

Brief History:

Committee Activity: Financial Institutions, Housing & Consumer Protection: 2/8/05.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & CONSUMER PROTECTION

Staff: Joanne Conrad (786-7472)

Background: Reportedly, some of the consumers who experience difficulty in repaying payday loans believe it is a consequence of a rolling cash flow shortage. Hawaii passed legislation allowing a borrower to, in effect, skip a payday and have the loan repayment taken out of a subsequent paycheck.

Summary of Bill: Borrowers are affirmatively offered the option of skipping a payday and having a payday loan repaid out of a subsequent paycheck within 45 days, at no additional fee or interest.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.