
A BILL FOR AN ACT

RELATING TO THE HAWAIIAN HOMES COMMISSION ACT

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the United States
2 Department of Agriculture's Section 502 Direct Loan Program for
3 very- low- income households provides a loan term of thirty-
4 eight years. In contrast, loans administered by the department
5 of Hawaiian home lands for the beneficiaries of the Hawaiian
6 Homes Commission Act, 1920, as amended, is thirty years. The
7 purpose of this Act is to increase the loan term of loans
8 administered by the department of Hawaiian home lands for the
9 beneficiaries of the HHCA, 1920, as amended, to forty years.

10 SECTION 2. Section 215, Hawaiian Homes Commission Act,
11 1920, as amended, is amended by amending subsection (2) to read
12 as follows:

13 "(2) The loans shall be repaid in periodic installments,
14 such installments to be monthly, quarterly, semiannual, or
15 annual as may be determined by the department in each case. The
16 term of any loan shall not exceed [~~thirty~~] forty years. Payments
17 of any sum in addition to the required installments, or payment
18 of the entire amount of the loan, may be made at any time within

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1 the term of the loan. All unpaid balances of principal shall
2 bear interest at the rate of two and one-half per cent a year
3 for loans made directly from the Hawaiian home-loan fund, or at
4 the rate of two and one-half per cent or higher as established
5 by law for other loans payable periodically or upon demand by
6 the department, as the department may determine. The payment of
7 any installment due shall be postponed in whole or in part by
8 the department for such reasons as it deems good and sufficient
9 and until such later date as it deems advisable. Such postponed
10 payments shall continue to bear interest on the unpaid principal
11 at the rate established for the loan."

12 SECTION 3. The provisions of the amendments made by this
13 Act to the Hawaiian Homes Commission Act, 1920, as amended, are
14 declared to be severable, and if any section, sentence, clause,
15 or phrase, or the application thereof to any person or
16 circumstances is held ineffective because there is a requirement
17 of having the consent of the United States to take effect, then
18 that portion only shall take effect upon the granting of consent
19 by the United States and effectiveness of the remainder of these
20 amendments or the application thereof shall not be affected.

21 SECTION 4. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.

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1 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY: _____

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BY REQUEST

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Report Title:

Hawaiian Homes Commission Act; Loan Term

Description:

To increase the Federal Housing Administration loan term in the Hawaiian Homes Commission Act, 1920, as amended, to be forty years, for direct loans administered by the Department of Hawaiian Home Lands.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.