

STAND. COM. REP. NO.

135

Honolulu, Hawaii

FEB 14 2011

RE: S.B. No. 1290

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Hawaiian Affairs, to which was referred
S.B. No. 1290 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION
ACT, 1920, AS AMENDED,"

begs leave to report as follows:

The purpose of this measure is to increase the limit the
Department of Hawaiian Home Lands is currently authorized to
borrow or guarantee on loans from \$50,000,000 to \$100,000,000 in
order to cover the Department's guarantee requirements for its
housing program. The intent of this measure is to enhance the
Department's ability to deliver homesteads and home ownership
opportunities to beneficiaries, which is directly tied to its
ability to guarantee mortgage loans.

Your Committee received testimony in support of this measure
from the Department of Hawaiian Home Lands and the Department of
Budget and Finance.

Your Committee finds that since Hawaiian homelands are
inalienable, the Department is required to guarantee mortgage
loans made for homes located on Hawaiian homelands when lenders do
not have a loan assurance program. Current loan guarantees are
approximately \$30,000,000, with an additional \$16,800,000 in loans
to be closed over the next six months, bringing the total very
close to the current \$50,000,000 ceiling.

Your Committee understands that as part of its housing
strategy, the Department has partnered with local lenders on loan

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programs with complementing mortgage insurance to minimize the Department's guarantee obligations. However, there are still loan programs that serve specific income level families, such as the United States Department of Agriculture Rural Development loans, county programs, and Habitat for Humanity, which will be hampered without the increase in the \$50,000,000 ceiling. The increase will also allow more construction of affordable units and benefit Hawaii's construction industry and local economy.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1290 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Hawaiian Affairs,



BRICKWOOD GALUTERIA, Chair

The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Hawaiian Affairs
HWN

Bill / Resolution No.:* <i>SB 1290</i>	Committee Referral: <i>HWN, WAM</i>	Date: <i>2-7-11</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GALUTERIA, Brickwood (C)	✓			
RYAN, Pohai (VC)	✓			
ENGLISH, J. Kalani	✓			
HEE, Clayton				✓
KAHELE, Gilbert	✓			
KIDANI, Michelle N.	✓			
SOLOMON, Malama	✓			
SLOM, Sam	✓			
TOTAL	<i>7</i>			<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

***Only one measure per Record of Votes**