
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. Chapter 201H, Hawaii Revised Statutes, is
2 amended by adding a new section to part III, subpart B to be
3 appropriately designated and to read as follows:
4 "§201H- University of Hawaii housing downpayment loan
5 program. (a) The corporation shall establish within the Hua
6 Mae single family program established by administrative rules
7 pursuant to this part a program to make direct downpayment loans
8 for the purchase of residential property to eligible borrowers
9 who are faculty members of the University of Hawaii. The
10 downpayment loan to any one borrower shall not exceed per
11 cent of the purchase price of the residential property or
12 \$, whichever is less. The interest rate on a loan shall
13 be per cent; provided that there shall also be a contingent
14 interest of per cent of the appreciated value of the
15 property upon the buyer's sale, transfer, or refinancing of the
16 property.



1 (b) The repayment of every downpayment loan shall be
2 secured by a lien on the property that shall disclose the
3 contingent interest stated in subsection (a) in a shared
4 appreciation clause.

5 (c) The principal of the downpayment loan, together with
6 accrued interest, shall be due and payable upon the sale,
7 transfer, or refinancing of the property, or shall be repaid by
8 the borrower in installments as determined by the corporation;
9 provided that the corporation may provide a period in which
10 payments may be waived. The period over which the principal and
11 interest shall be paid need not coincide with the period over
12 which the loan from the mortgage lender for the balance of the
13 purchase price must be repaid. The borrower may repay the whole
14 or any part of the unpaid balance of the downpayment loan, plus
15 accrued interest, at any time without penalty; provided that the
16 contingent interest stated in subsection (a) shall be due and
17 payable upon the buyer's sale, transfer, or refinancing of the
18 property.

19 (d) The corporation may secure the services of the
20 mortgage lender who lends to the borrower the balance of the
21 purchase price of the residential property or the services of



1 any other mortgage lender doing business in the State to
2 collect, on behalf of the State, the principal and interest of
3 the downpayment loan and otherwise to service the downpayment
4 loan, for a servicing fee not in excess of the prevailing loan
5 servicing fees.

6 (e) The corporation shall adopt rules pursuant to chapter
7 91 to carry out the purposes of this section."

8 SECTION 2. Section 201H-80, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "§201H-80 Housing finance revolving fund; bond revolving
11 funds. (a) There is created a housing finance revolving fund
12 to be administered by the corporation. Notwithstanding sections
13 36-21 and 201H-191, the proceeds in the fund shall be used for
14 long-term and other special financings of the corporation and
15 for the necessary expenses in administering this part.

16 (b) All moneys received and collected by the corporation,
17 not otherwise pledged or obligated nor required by law to be
18 placed in any other special or revolving fund[7] or the
19 subaccount established in subsection (e), shall be deposited in
20 the housing finance revolving fund.



1 (c) [A] Except as provided in subsection (e), a separate
2 revolving fund shall be established for each housing project or
3 system of housing projects or loan program financed from the
4 proceeds of bonds secured under the same trust indenture. Each
5 fund shall be designated "housing project bond revolving fund"
6 or "housing loan program revenue bond revolving fund", as
7 appropriate, and shall bear any additional designation as the
8 corporation deems appropriate to properly identify the fund.

9 (d) Notwithstanding any other law to the contrary, except
10 as provided by subsection (e), all revenues, income, and
11 receipts derived from a housing project or system of projects or
12 loan program financed from the proceeds of bonds or pledged to
13 the payment of the principal of and interest and premium on
14 bonds, shall be paid into the housing project bond revolving
15 fund or housing loan program revenue bond revolving fund
16 established for the housing project or system of projects or
17 loan program and applied as provided in the proceedings
18 authorizing the issuance of the bonds.

19 (e) A separate subaccount of the housing finance revolving
20 fund, to be known as the University of Hawaii housing
21 downpayment loan program subaccount, shall be established. All



H.B. NO. 1337

Report Title:

University of Hawaii; Housing; Downpayments; Loans

Description:

Establishes within the Hula Mae Single Family Program a housing downpayment loan program for faculty members of the University of Hawaii. Creates a subaccount for funds for the program within the Housing Finance Revolving Fund.

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