

Honolulu, Hawaii

FEB 13 2020

RE: S.B. No. 2826
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Hawaiian Affairs, to which was referred
S.B. No. 2826 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Clarify that the Department of Hawaiian Home Lands shall not cancel a lease solely based on a loan default or delinquency unless all loan loss mitigation procedures are exhausted pursuant to the loan servicing manual; and
- (2) Require the Department of Hawaiian Home Lands to develop and implement a loan servicing manual.

Your Committee received testimony in support of this measure from one member of the Hawaii County Council and five individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Hawaiian Home Lands.

Your Committee finds that the Department of Hawaiian Home Lands has an extensive lease cancellation process, which includes multiple and ongoing hearings with the Hawaiian Homes Commission on the lessee's island to prevent travel costs and provide for



loan modification options and additional financial counseling. A lease may only be cancelled by a quorum of five commissioners and a majority vote. Once a lease is cancelled, a lessee can seek reconsideration or appeal under chapter 91, Hawaii Revised Statutes. Your Committee further finds that the Department of Hawaiian Home Lands has written loan servicing guidelines, and the department staff work one-on-one with lessees who are experiencing challenges in paying their mortgages. These challenges may include, but are not limited to, job loss, a medical emergency, or a family crisis. In addition, loan officers with the Department of Hawaiian Home Lands provide payment options and financial counseling paid for by the Department of Hawaiian Home Lands. To ensure the availability of adequate assistance, lessees are contacted by postal mail, phone, e-mail, and through in-person visits, if necessary. In light of the foregoing, your Committee finds that requiring the Department of Hawaiian Home Lands to develop and implement a loan servicing manual would further enhance its efforts to assist distressed beneficiaries.

Your Committee has amended this measure by:

- (1) Removing section 1, which prohibits the Department of Hawaiian Home Lands from canceling a lease solely based on a loan default or delinquency unless all loan loss mitigation procedures are exhausted pursuant to the loan servicing manual;
- (2) Removing forbearance from the list of information the loan servicing manual must include; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 2826, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2826, S.D. 1, and be referred to your Committee on Ways and Means.



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

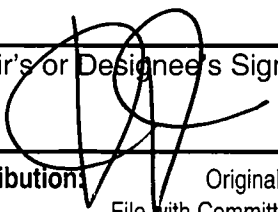


MAILE S.L. SHIMABUKURO, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Hawaiian Affairs
HWN

Bill / Resolution No.:* <div style="font-size: 1.5em; font-family: cursive;">SB2826</div>	Committee Referral: <div style="font-size: 1.5em; font-family: cursive;">HWN, WAM</div>	Date: <div style="font-size: 1.5em; font-family: cursive;">2/4/20</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
SHIMABUKURO, Maile S.L. (C)	✓			
KAHELE, Kaiali'i (VC)		✓		
IHARA, Jr., Les				✓
KEOHOKALOLE, Jarrett	✓			
FEVELLA, Kurt				✓
TOTAL	2	1		2
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 2em; font-family: cursive; margin-top: 10px;">  </div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: 0.7em; margin-top: 2px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

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