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# 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 subpart to part III to be appropriately  
3 designated and to read as follows:

4           "           . HAWAII RESIDENTIAL DEVELOPERS LOAN REVOLVING FUND

5           **§201H-A Corporation duties under this subpart.** (a) The

6 corporation shall enhance credit and guarantee and insure loans

7 made by private financial institutions to developers of

8 residential housing required to be sold or rented to qualified

9 residents as defined in section 201H-32. The corporation shall

10 not provide residential mortgage loans to consumers or guarantee

11 or insure residential mortgage loans made to consumers.

12           (b) When the application for a loan has been approved by

13 the corporation, the corporation shall issue to the lender a

14 guarantee for the percentage of the loan for which it guarantees

15 payment of principal and interest. The private lender shall

16 collect all payments from the borrower and otherwise service the

17 loan.



1           **§201H-B General powers under this subpart.** (a) The  
2 corporation may:

3           (1) Enhance credit;

4           (2) Adopt rules in accordance with chapter 91 to carry  
5 into effect the purposes, powers, and programs of this  
6 subpart; and

7           (3) Notwithstanding any law to the contrary, establish and  
8 collect fees for administrative expenses incurred by  
9 the corporation to process applications for loans,  
10 grants, services, and real estate documents related to  
11 the corporation's functions under this subpart.

12           (b) In addition to other powers conferred upon it, the  
13 corporation may do all things necessary and convenient to carry  
14 out the powers expressly provided in this subpart.

15           **§201H-C Hawaii residential developers loan revolving fund.**

16 (a) There is established the Hawaii residential developers loan  
17 revolving fund to be administered by the corporation. The  
18 proceeds of the funds shall be used to enhance credit and  
19 guarantee and insure loans made by private financial  
20 institutions to developers of residential housing for sale or  
21 rent to qualified residents as defined in section 201H-32. The



1 proceeds of the funds shall not be used to provide residential  
2 mortgage loans to consumers or guarantee or insure residential  
3 mortgage loans made to consumers.

4 (b) The following may be deposited into the fund:

5 (1) Appropriations made by the legislature;

6 (2) Private contributions;

7 (3) Repayment of loans, interest, other returns; and

8 (4) Moneys from other sources."

9 SECTION 2. The director of finance is authorized to issue  
10 general obligation bonds in the sum of \$200,000,000 or so much  
11 thereof as may be necessary and the same sum or so much thereof  
12 as may be necessary is appropriated for fiscal year 2024-2025  
13 for the purpose of funding the Hawaii residential developers  
14 loan revolving fund established pursuant to section 201H-C,  
15 Hawaii Revised Statutes.

16 The sum appropriated shall be expended by the Hawaii  
17 housing finance and development corporation for the purposes of  
18 this Act.

19 SECTION 3. The appropriation made for the capital  
20 improvement project authorized by this Act shall not lapse at  
21 the end of the fiscal biennium for which the appropriation is



1 made; provided that all moneys from the appropriation  
2 unencumbered as of June 30, 2026, shall lapse as of that date.

3 SECTION 4. This Act shall take effect on July 1, 2024.



**Report Title:**

HHFDC; Hawaii Residential Developers Loan Revolving Fund;  
Housing; Developers; Credit Enhancement; Loan Guarantees; GO  
Bonds; Appropriation

**Description:**

Establishes the Hawaii Residential Developers Loan Revolving Fund to be administered by the Hawaii Housing Finance and Development Corporation for the purpose of enhancing credit and guaranteeing and insuring loans made by private financial institutions to developers of residential housing for sale or rent to qualified residents. Authorizes the Director of Finance to issue general obligation bonds to fund the Hawaii Residential Developers Loan Revolving Fund. Makes an appropriation. (SD1)

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

