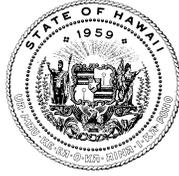


JOSH GREEN, M.D.  
GOVERNOR  
STATE OF HAWAII  
*Ke Kia'āina o ka Moku'āina 'o  
Hawaii*

SYLVIA J. LUKE  
LT. GOVERNOR  
STATE OF HAWAII  
*Ka Hope Kia'āina o ka Moku'āina  
'o Hawaii*



KALI WATSON  
CHAIRPERSON, HHC  
*Ka Luna Ho'okele*

KATIE L. LAMBERT  
DEPUTY TO THE CHAIR  
*Ka Hope Luna Ho'okele*

**STATE OF HAWAII**  
**DEPARTMENT OF HAWAIIAN HOME LANDS**  
*Ka 'Oihana 'Āina Ho'opulapula Hawaii'i*

P. O. BOX 1879  
HONOLULU, HAWAII 96805

TESTIMONY OF KALI WATSON, CHAIR  
HAWAIIAN HOMES COMMISSION  
BEFORE THE HOUSE COMMITTEE ON  
JUDICIARY & HAWAIIAN AFFAIRS  
ON FEBRUARY 12, 2026 AT 2:00PM IN CR 325

**HB2308, RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS  
AMENDED**

February 12, 2026

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) **supports** this bill which increases the limit of the State's liability for moneys borrowed by DHHL or loans made to lessees that are guaranteed by DHHL from \$100,000,000 to \$500,000,000.

This legislative proposal was approved by the Hawaiian Homes Commission and included in the Governor's Administrative Package. This bill amends section 214 of the Hawaiian Homes Commission Act, 1920, as amended (HHCA) to increase the limit of the State's liability for moneys borrowed by DHHL or loans made to lessees that are guaranteed by DHHL from \$100,000,000 to \$500,000,000. DHHL administers direct loans to beneficiaries and guarantees loans because Hawaiian Home Lands are held in trust. This bill will help Hawaiian Home Land lessees afford home prices being offered through DHHL's turnkey offerings and afford contractor costs for vacant lot home builds.

Lastly, proposed amendments to the Hawaiian Homes Commission Act, 1920, as amended, requires review and approval by the U.S. Department of the Interior as well as Congressional review and consideration.

Thank you for your consideration of our testimony.

---

HO`OMANA PONO, LLC  
*Mamua Kānaka*

---

**ATTENTION:**

COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

Rep. David A. Tarnas, Chair  
Rep. Mahina Poepoe, Vice Chair,  
Rep. Member of the Committee

February 10, 2026

Re: **HB2308 HD1 RELATING TO DEPARTMENT OF HAWAIIAN HOME LANDS**

---

Aloha Chair, Vice Chair and Members of the Committee on Judiciary & Hawaiian Affairs!

We **STAND IN STRONG SUPPORT** of this Bill.

Please pass this Bill. Aloha!

*De Mont Kalai Manaole*

---

De MONT Kalai Manaole, Co-Manager  
Ho`omana Pono, LLC  
86-044 Hoaha St.  
Wai`anae, HI 96792  
Phone: (808) 726-5753  
Email: [hoomanaponollc96792@gmail.com](mailto:hoomanaponollc96792@gmail.com)

**HB-2308**

Submitted on: 2/11/2026 2:47:35 PM

Testimony for JHA on 2/12/2026 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Shelby "Pikachu" Billionaire	Kingdom of The Hawaiian Islands & Ohana Unity Party	Support	Remotely Via Zoom

Comments:

HB2308 - Relating to the Hawaiian Homes Commission Act, 1920, as amended

SUPPORT

Aloha,

Support HB2308, raising the state's liability limit for DHHL-borrowed funds/loans from \$100M to \$500M. Rising costs, inflation, and disasters like Maui fires make housing harder for lessees. This expanded guarantee supports more units and affordability without new taxes. It advances HHCA goals for beneficiary homeownership. Pass it.

Mahalo,  
Pikachu Shelby Billionaire



February 10, 2026

The Honorable David A. Tarnas, Chair  
The Honorable Mahina Poepoe, Vice Chair  
and Members of the Committee on Judiciary & Hawaiian Affairs

Subject: Testimony: HB 2308, Relating to the Hawaiian Homes Commission Act,  
1920, As Amended  
Hearing: February 12, 2026 at 2:00 PM, Conference Room 325

Dear Chair Tarnas, Vice Chair Poepoe and Members of the Committee:

Legacy Ventures supports HB2308, which proposes to increase the State's liability limit for moneys borrowed by the Department of Hawaiian Home Lands (DHHL), or for loans made to lessees guaranteed by the Department, from \$100,000,000 to \$500,000,000.

HB2308 recognizes the urgent need to provide DHHL with the financial capacity necessary to fulfill its constitutional and moral obligation to return Native Hawaiians to the land. By increasing the limit on State liability, this measure directly empowers the Department to:

- Expand development of infrastructure and housing projects for beneficiaries;
- Leverage additional financing and investment opportunities; and
- Accelerate efforts to reduce the backlog of Native Hawaiians waiting for homestead leases.

Currently, the \$100 million limit constrains DHHL's ability to secure funding at the scale required to meet the needs of more than 28,000 applicants on the waiting list. Rising construction costs, inflation, and supply chain challenges have made it increasingly difficult to move projects forward under the existing cap. By increasing the State's guarantee to \$500 million, the Department will be better equipped to:

- Undertake larger-scale developments;
- Improve infrastructure in existing homestead communities; and
- Partner with financial institutions to offer more affordable lending options for Native Hawaiian lessees.

HB2308 represents a practical and meaningful step toward honoring the commitments made by the State and ensuring that Hawaiian beneficiaries can finally build homes and sustainable communities on their ancestral lands.

For these reasons, I respectfully urge the Committee to pass HB2308. Mahalo for the opportunity to testify in support of this bill.

Respectfully,

A handwritten signature in black ink, appearing to read "Pamela Witty-Oakland".

Pamela Witty-Oakland



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February 11, 2026

## **TESTIMONY IN SUPPORT OF HB 2308 - Relating to Increasing the Department of Hawaiian Home Lands Loan Guarantee Limit**

Aloha e Chair, Vice Chair, and Members of the Committee:

Aloha and mahalo for the opportunity to testify in **strong support of HB 2308**, which increases the limit of the State's liability for moneys borrowed by the Department of Hawaiian Home Lands (DHHL) loan guarantee capacity from \$100,000,000 to \$500,000,000.

I submit this testimony as the Chief Executive Officer of Hawai'i Community Lending (HCL), a licensed nonprofit mortgage loan originator and servicer serving native Hawaiian beneficiaries on Hawaiian Home Lands across the state for the last 25 years.

### **Why This Bill Is Necessary Now**

The Legislature has already made a historic \$600 million investment in DHHL to create thousands of new homestead lots and infrastructure. Even a conservative estimate of 3,000 new lots would require over \$1 billion in mortgage financing to build homes (estimates 3,000 x \$350,000).

With only a \$100 million total guarantee cap, there is simply no pathway to finance homes at scale.

The question before us is straightforward: DHHL is building the lots. How will native Hawaiian families finance the homes?

### **The Barrier in Today's Mortgage Marketplace**

Native Hawaiian beneficiaries face three major barriers in the conventional mortgage market:

1. Construction costs are increasing rapidly up to \$500 per square foot
2. Appraisals for turnkey developments are below sales prices, which is creating financing gaps that can only be made up by beneficiaries paying \$100,000 to \$150,000 in cash at closing to make up the difference
3. Interest rates remain above 6%, pricing families out of affordability

Because of DHHL's loan guarantee authority, HCL has been able to offer no down payment, 30-year direct mortgages that maintain interest rates below 5%, and have proven to attract private capital to help address the Hawaiian Home Lands waitlist. At the same time, USDA Rural Development's 502 Direct Mortgage program also relies on the DHHL loan guarantee authority.

Without the DHHL guarantee, these below-market mortgage products would not be possible.

*We Don't Say No, We Say How*

### **The Guarantee Is Not \$500 Million of Debt**

There has been concern that increasing the guarantee limit increases State debt exposure. DHHL guarantees are not general obligation debt; they are contingent obligations to purchase improvements in the event of default.

When DHHL pays under a guarantee:

- DHHL acquires the leasehold improvements
- Repairs and reprocesses the property
- Resells to another qualified beneficiary

These homes are highly marketable, with tens of thousands of eligible beneficiaries waiting.

Further, historical modeling demonstrates that the net exposure is a small fraction of the total guarantee amount. For example, if 20% of loans default and DHHL recovers 80% of those amounts, the net exposure equals approximately 4% of total guarantees. That means \$100 million in guarantees does not equate to a \$100 million exposure, but that the net exposure in this example model is actually \$4 million.

The financing structure utilized by HCL for its below-market, zero down direct mortgages further reduces exposure by incentivizing loan substitution and assumption rather than triggering the DHHL guarantee.

In short: This is leverage of private capital with controlled and historically limited risk.

### **Private Capital Is Ready, But the Cap Is the Constraint**

HCL has structured private note placements secured by DHHL-guaranteed direct mortgages to scale lending up to \$35 million per issuance, assisting up to an estimated 80 native Hawaiian beneficiary households.

However, going forward, it will be difficult to raise more than \$30 million in funding for mortgage loans without an increase in the \$100 million limit. This is due to the fact that DHHL already has an estimated \$70 million in loan guarantees outstanding.

Investors require certainty that the guaranty pool has sufficient headroom. A \$100 million ceiling constrains scale, suppresses capital formation, limits homeownership production, and unnecessarily keeps private capital from being mobilized to provide the affordable mortgage financing low- and moderate-income native Hawaiians need to purchase homes on their residential lease land.

Raising the cap to \$500 million unlocks institutional capital, aligns with the scale of infrastructure already funded, and signals long-term stability to capital markets. It demonstrates how loan guarantees can not only be used to attract private capital to make affordable mortgage financing available, but has potential to also expand DHHL's ability to guarantee commercial loans for health centers, energy projects, schools, agricultural development, and more.



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### **Legislative Precedent Exists**

The prior increase in the DHHL guaranty limit (from \$50 million to \$100 million) was processed through State legislative action alone.

Analysis included in the attached materials indicates that increasing the limit does not automatically require Congressional approval and that procedural pathways exist under federal regulations to implement such amendments.

This establishes precedent that the State Legislature can act to increase the limit in furtherance of beneficiary housing access without needing federal action.

### **DHHL Revenue-Producing Projects Strengthen the Case**

DHHL today is not the same department it was decades ago. It has revenue-generating commercial and industrial projects underway that will fund infrastructure, support services to beneficiaries, and strengthen long-term fiscal sustainability. Increasing the guaranty limit does not weaken DHHL. It complements its expanding financial capacity.

### **The Strategic Moment**

The Legislature has already invested \$600 million to produce lots. Families are ready to build. Private capital is ready to lend. The only constraint is an outdated \$100 million guaranty cap.

If HB 2308 does not pass several lots will sit idle, families will remain in overcrowded or substandard housing, construction momentum will stall, and the State's \$600 million investment will not achieve its full impact.

If HB 2308 passes, native Hawaiian families will gain access to affordable 30-year mortgages, private capital will multiply public investment, DHHL lots will translate into completed homes, and generational wealth building and the reduction of the Hawaiian Home Lands waitlist will become possible.

### **Closing**

HB 2308 is not merely a technical amendment. It is the financing bridge between land development and actual homeownership. The State has done the hard work of funding infrastructure. Now we must ensure families can finance the homes.

For these reasons, **Hawai'i Community Lending strongly urges passage of HB 2308**. Mahalo for your leadership and your commitment to native Hawaiian beneficiaries. Please feel free to contact me should you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads 'Jeff Gilbreath'.

Jeff Gilbreath  
Chief Executive Officer

*We Don't Say No, We Say How*

To: Jeff Gilbreath  
Aikue Kalima  
Sean Perez

From: Krambo Corporation

Re: Questions about \$100,000,000 limit on DHHL guarantees

Date: January 15, 2025

---

1. It would be helpful to have assurance that the currently outstanding guarantees by DHHL, plus those to be made over the next three years under the DHHL/HCL MOA, will not exceed the \$100,000,000 limit discussed below.

a. Section 214(b)(4) of the Hawaiian Homes Commission Act (“**HCC Act**”) provides that the department (DHHL) may “(4) Permit and approve loans made to lessees by government agencies or private lending institutions, where the department assures payment of these loans…”

b. Section 214(b) of the HCC Act includes the following language:

“provided that the State's liability, contingent or otherwise, either on moneys borrowed by the department or on departmental guarantees of loans made to lessees under this paragraph and paragraphs (2), (3), and (4) of this subsection, shall at no time exceed \$100,000,000;”

c. The following language is included in the notes to DHHL 2023 Financial Statements:

“The Department is contingently liable for certain loans originated by the Rural Development Agency of the USDA for which the Department has guaranteed repayment. The Department has estimated the balance of these loans is between \$50,000,000 and \$70,000,000 as of June 30, 2023. The Department was unable to obtain the delinquent balance as of June 30, 2023. As of June 30, 2023, the Department was also contingently liable for approximately \$2,554,000 in loans originated by financial institutions and other lenders for which it had guaranteed repayment.”

Based on the information included under subparagraph (c) above, it is possible that there is up to \$72,554,000 of outstanding DHHL guarantees as of the end of its 2023 fiscal year. This amount is greater than the amount of guarantees reported by DHHL in its quarterly reports but does conform to that reported in the notes to its financial statements. This ambiguity may give pause to prospective investors (for the last several million of the prospective commitments).

Would the state increase the \$100,000,000 limit to provide assurance to prospective investors?

2. There are currently over 24,000 native Hawaiians on the waitlist for DHHL properties. Just 100 first mortgage loans of \$350,000 each would consume \$35 million of the \$100,000,000 limitation. A 1,000 would require \$350 million, 10,000 equals \$3.5 billion. An increase in the \$100,000,000 limitation is needed to reduce the waitlist.
3. The reason for including the \$100,000,000 limitation in the HCC Act is unclear. The guarantee of a borrower's obligation is generally considered a risky undertaking because if the borrower can't pay the guaranteed obligation, it won't be in a position to reimburse the guarantor for its payment. In this situation, however, if a lease is terminated by DHHL, DHHL receives the property back in an improved state. For example, if the nonperforming mortgage loan has \$300,000 outstanding and the home is now worth \$350,000 upon resale by DHHL, it seems that DHHL's net exposure would be relatively small (assume \$100,000 of expenses to DHHL to reacquire and repair; the net to DHHL would be \$250,000, its loss \$50,000). Given that kind of exposure, might the state be willing to increase the limit to say \$500 million, gain experience with the increased limit, and consider another increase in a few years?
4. Is Congressional approval necessary if an increase in the \$100 million limit is passed by the state legislature? See response number 9 in the attached document that lists prior proposed amendments by the state legislature. Also, see the attached excerpt from the Code of Federal Regulations that outlines the process for determining whether Congressional approval is required and how to proceed if it does.

\*\*\*\*\*



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### ECFR CONTENT

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## PART 48—AMENDMENTS TO THE HAWAIIAN HOMES COMMISSION ACT

**Authority:** State of Hawai'i Admission Act, 73 Stat. 4, approved March 18, 1959; Hawaiian Homes Commission Act, 1920, 42 Stat. 108 *et seq.*, Hawaiian Home Lands Recovery Act, 1995, 109 Stat. 537; 5 U.S.C. 301; 25 U.S.C. 2 and 9; 43 U.S.C. 1457; 112 Departmental Manual 28.

**Source:** 81 FR 29788, May 13, 2016, unless otherwise noted.

### § 48.5 What is the purpose of this part?

- (a) This part sets forth the policies and procedures for:
  - Review by the Secretary of amendments to the Hawaiian Homes Commission Act proposed by the State of Hawai'i; and
  - Determination by the Secretary whether the proposed amendment requires congressional approval.
- (b) This part implements requirements of the Hawaiian Homes Commission Act, the State of Hawai'i Admission Act, 1959, and the Hawaiian Home Lands Recovery Act, 1995.

### § 48.6 What definitions apply to terms used in this part?

As used in this part, the following terms have the meanings given in this section.

- Beneficiary or beneficiaries** means "native Hawaiian(s)" as that term is defined under section 201(a) of the Hawaiian Homes Commission Act.
- Chairman** means the Chairman of the Hawaiian Homes Commission designated under section 202 of the Hawaiian Homes Commission Act.
- Commission** means the Hawaiian Homes Commission, established by section 202 of the Hawaiian Homes Commission Act, which serves as the executive board of the Department of Hawaiian Home Lands.
- Consultation or consult** means representatives of the government engaging in an open discussion process that allows interested parties to address potential issues, changes, or actions. Consultation does not necessarily require formal face-to-face meetings. The complexity of the matter along with the potential effects that the matter may have on the Trust or beneficiaries will dictate the appropriate process for consultation. Consultation requires dialogue (oral, electronic, or printed) or a good faith, dialogue or documented effort to engage with the beneficiaries, consideration of their views, and, where feasible, seek agreement with the beneficiaries when engaged in the land exchange process.
- DHHL or Department of Hawaiian Home Lands** means the department established by the State of Hawai'i under sections 26-4 and 26-17 of the Hawai'i Revised Statutes to exercise the authorities and responsibilities of the Hawaiian Homes Commission under the Hawaiian Homes Commission Act.
- Hawaiian Home Lands Trust** means all trust lands given the Hawaiian home lands under section 204 of the Hawaiian Homes Commission Act, and those lands obtained through approval under part 47, and as directed by Congress.
- Hawaiian Home Lands Trust Funds** means the funds established in the HHCA section 213.
- HHCA or Hawaiian Homes Commission Act** means the Hawaiian Homes Commission Act, 1920, 42 Stat. 108 *et seq.*, as amended.
- HHCA Beneficiary Association** means an organization controlled by beneficiaries who submitted applications to the DHHL for homesteads and are awaiting the assignment of a homestead; represents and serves the interests of those beneficiaries; has as a stated primary purpose the representation of, and provision of services to, those beneficiaries; and filed with the Secretary a statement, signed by the governing body, of governing procedures and a description of the beneficiaries it represents.
- HHLRA or Hawaiian Home Lands Recovery Act** means the Hawaiian Home Lands Recovery Act, 1995, 109 Stat. 537.
- Lessee** means either a:
  - Beneficiary who has been awarded a lease under section 207(a) of the Hawaiian Homes Commission Act;
  - Person to whom land has been transferred under section 208(5) of the Hawaiian Homes Commission Act; or
  - Successor lessee under section 209 of the Hawaiian Homes Commission Act.
- Homestead Association** means a beneficiary controlled organization that represents and serves the interests of its homestead community; has as a stated primary purpose the representation of, and provision of services to, its homestead community; and filed with the Secretary a statement, signed by the governing body, of governing procedures and a description of the territory it represents.
- Secretary** means the Secretary of the Interior or the individual to whom the authority and responsibilities of the Secretary have been delegated.
- Trust** means the Hawaiian Home Lands Trust and the Hawaiian Home Lands Trust Funds.

### § 48.10 What is the Secretary's role in reviewing proposed amendments to the HHCA?

- (a) The Secretary must review proposed amendments to the Hawaiian Homes Commission Act (HHCA) by the State of Hawai'i to determine whether the proposed amendment requires approval of Congress.
- (b) The Secretary will notify the Chairman and Congress of this determination, and if approval is required, submit to Congress the documents required by § 48.35(b).

### § 48.15 What are the Chairman's responsibilities in submitting proposed amendments to the Secretary?

- (a) Not later than 120 days after the State approves a proposed amendment to the HHCA, the Chairman must submit to the Secretary a clear and complete:
  - Copy of the proposed amendment;
  - Description of the nature of the change proposed by the proposed amendment; and,
  - Opinion explaining whether the proposed amendment requires the approval of Congress.
- (b) The following information must also be submitted:
  - A description of the proposed amendment, including how the proposed amendment advances the interests of the beneficiaries;
  - All testimony and correspondence from the Director of the Department of Hawaiian Home Lands, Hawaiian Homes Commissioners, Homestead Associations, HHCA Beneficiary Associations, and beneficiaries providing views on the proposed amendment;
  - An analysis of the law and policy of the proposed amendment by the Department of Hawaiian Home Lands and the Hawaiian Homes Commission;
  - Documentation of the dates and number of hearings held on the measure, and a copy of all testimony provided or submitted at each hearing;
  - Copies of all committee reports and other legislative history, including prior versions of the proposed amendment;
  - Final vote totals by the Commission and the legislature on the proposed amendment;
  - Summaries of all consultations conducted with the beneficiaries regarding the proposed amendment; and
  - Other additional information that the State believes may assist in the review of the proposed amendment.

### § 48.20 How does the Secretary determine if the State is seeking to amend Federal law?

- (a) The Secretary will determine that Congressional approval is required if the proposed amendment, or any other legislative action that directly or indirectly has the effect of:
  - Decreasing the benefits to the beneficiaries of the Trust;
  - Reducing or impairing the Hawaiian Home Land Trust Funds;
  - Allowing for additional encumbrances to be placed on Hawaiian home lands by officers other than those charged with the administration of the HHCA;
  - Changing the qualifications of who may be a lessee;
  - Allowing the use of proceeds and income from the Hawaiian home lands for purposes other than carrying out the provisions of the HHCA; or
  - Amending a section other than sections 202, 213, 219, 220, 222, 224, or 225, or other provisions relating to administration, or paragraph (2) of section 204, section 206, or 212 or other provisions relating to the powers and duties of officers other than those charged with the administration of the HHCA.
- (b) The Secretary may consult with the beneficiaries when making a determination.

### § 48.25 How does the Secretary determine if the proposed amendment decreases the benefits to beneficiaries of Hawaiian home lands?

- (a) In determining benefits to the beneficiaries, the Secretary will consider the goals and purposes of the Trust, including, but not limited to, the following:
  - The provision of homesteads to beneficiaries;
  - The rehabilitation of beneficiaries and their families and Hawaiian homestead communities;
  - The educational, economic, political, social, and cultural processes by which the general welfare and conditions of beneficiaries are improved and perpetuated;
  - The construction of replacement homes, repairs or additions;
  - The development of farm, ranch or aquaculture, including soil and water conservation;
  - The enhanced construction, reconstruction, operation and maintenance of revenue-producing improvements intended to benefit occupants of Hawaiian home lands;
  - The making of investments in water and other utilities, supplies, equipment, and goods, as well as professional services needed to plan, implement, develop or operate such projects that will improve the value of Hawaiian home lands for their current and future occupants; and,
  - The establishment and maintenance of an account to serve as a reserve for loans issued or backed by the Federal Government.
- (b) The Secretary will determine if the proposed amendment or any other legislative action decreases the above-described or similar benefits to the beneficiaries, now or in the future, by weighing the answers to the following questions:
  - How would the proposed amendment impact the benefits to current lessees of Hawaiian home lands?
  - How would the proposed amendment impact the benefits to beneficiaries currently on a waiting list for a Hawaiian home lands lease?
  - How would the proposed amendment impact the benefits to beneficiaries who have not yet applied for a Hawaiian home lands lease?
  - If the interests of the beneficiaries who have not been awarded a Hawaiian home lands lease and the lessees differ, how does the proposed amendment weigh the interests of beneficiaries who have not been awarded a Hawaiian home lands lease with the interests of Hawaiian home lands lessees?
  - If the interests of the beneficiaries who have not been awarded a Hawaiian home lands lease and the lessees differ, do the benefits to the lessees outweigh any detriment to the beneficiaries who have not been awarded a Hawaiian home lands lease?
  - If the interests of the beneficiaries differ from the interests of the lessees, do the benefits to the beneficiaries outweigh any detriment to the lessees?

### § 48.30 How does the Secretary determine if Congressional approval is unnecessary?

The Secretary will determine that Congressional approval is unnecessary if the proposed amendment meets none of the criteria in § 48.20.

### § 48.35 When must the Secretary determine if the proposed amendment requires Congressional approval?

The Secretary will review the documents submitted by the Chairman, and if they meet the requirements of § 48.15, the Secretary will determine within 60 days after receiving them if the proposed amendment requires Congressional approval.

### § 48.40 What notification will the Secretary provide?

- (a) If the Secretary determines that Congressional approval of the proposed amendment is unnecessary, the Secretary will:
  - Notify the Chairmen of the Senate Committee on Energy and Natural Resources and of the House Committee on Natural Resources, the Governor, Speaker of the House of Representatives and President of the Senate of the State of Hawai'i, and the Chairman of the Hawaiian Homes Commission; and
  - Include, if appropriate, an opinion on whether the proposed amendment advances the interests of the beneficiaries.
- (b) If the Secretary determines that Congressional approval of the proposed amendment is required, the Secretary will notify the Chairmen of the Senate Committee on Energy and Natural Resources and of the House Committee on Natural Resources, the Governor, Speaker of the House of Representatives and President of the Senate of the State of Hawai'i, and the Chairman of the Hawaiian Homes Commission. The Secretary will also submit to the Committees the following:
  - A draft joint resolution approving the proposed amendment;
  - A description of the change made by the proposed amendment and an explanation of how the proposed amendment advances the interests of the beneficiaries;
  - A comparison of the existing law with the proposed amendment;
  - A recommendation on the advisability of approving the proposed amendment;
  - All documentation concerning the proposed amendment received from the Chairman; and
  - All documentation concerning the proposed amendment received from the beneficiaries.
- (c) The Secretary will post notice of the determination on the Department of the Interior's Web site.

### § 48.45 When is a proposed amendment deemed effective?

- (a) If the Secretary determines that a proposed amendment meets none of the criteria in § 48.20, the effective date of the proposed amendment is the date of the notification letter to the Congressional Committee Chairmen.
- (b) If the Secretary determines that the proposed amendment requires congressional approval then the effective date of the proposed amendment is the date that Congress's approval becomes law.

### § 48.50 Can the State of Hawai'i amend the Hawaiian Homes Commission Act without Secretarial review?

The Secretary must review all proposed amendments to the Hawaiian Homes Commission Act. Any proposed amendments to any terms or provisions of the Hawaiian Homes Commission Act by the State must also specifically state that the proposed amendment proposes to amend the Hawaiian Homes Commission Act. Any state enactment that impacts any of the criteria in § 48.20 shall have no effect on the provisions of the HHCA or administration of the Trust, except pursuant to this part.

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**Hawaii State Enactments Proposing to Amend the  
Hawaiian Homes Commission Act of 1920  
Amendments Not Requiring Congressional Consent**

**1. Act 177, 2006 Haw. Sess. Laws 701**, amends section 213.6 of HHCA, allowing the Hawaiian Homes Commission to deposit Hawaiian Home Lands Trust Fund monies in depositories other than the state treasury and exempting such deposits from requirements of chapters 36 and 38, Hawaii Revised Statutes.

Does the amendment alter the qualifications of lessees?  
No

Does the amendment allow for an increase of encumbrances on DHHL lands?  
No

Does the amendment reduce or impair the Hawaiian home-loan fund, the Hawaiian home-operating fund, or the Hawaiian home-development fund?  
No. None of these funds receive monies from the Hawaiian Home Lands Trust Fund.

Does the amendment increase the benefits to lessees of Hawaiian home lands?  
This change is administrative in nature. Likely benefits lessees by providing opportunity for interest income.

State AG Position: No Congressional Consent Required

Department of the Interior Position: No Congressional Consent Required

**2. Act 117, 2002 Haw. Sess. Laws**, amends section 213(i) of the HHCA relating to the use of monies in the Native Hawaiian Rehabilitation Fund by clarifying the Department of Hawaiian Home Lands' ability to utilize moneys in the fund includes its use for native Hawaiian families and Hawaiian homestead communities.

Does the amendment alter the qualifications of lessees?  
No.

Does the amendment allow for an increase of encumbrances on DHHL lands?  
No

Does the amendment reduce or impair the Hawaiian home-loan fund, the Hawaiian home-operating fund, or the Hawaiian home-development fund?  
No

Does the amendment increase the benefits to lessees of Hawaiian home lands?

Yes. Beneficiaries participating in consultation meeting spoke in favor of Act 117.

State AG Position: No Congressional Consent Required

U.S. Department of the Interior Position: No Congressional Consent Required

**3. Act 110, 2001 Haw. Sess. Laws**, amends section 222 of the HHCA to clarify the Department of Hawaiian Home Lands' rulemaking authority and makes clear the annual report requirement applies only to subleases of lands covered by general lease and not homestead leases. This proposed amendment is non-substantive in nature.

Does the amendment alter the qualifications of lessees?

No.

Does the amendment allow for an increase of encumbrances on DHHL lands?

No

Does the amendment reduce or impair the Hawaiian home-loan fund, the Hawaiian home-operating fund, or the Hawaiian home-development fund?

No

Does the amendment increase the benefits to lessees of Hawaiian home lands?

This amendment is non-substantive in nature and likely does not decrease benefits to the lessees.

State AG Position: No Congressional Consent Required

U.S. Department of the Interior Position: No Congressional Consent Required

**4. Act 122, 2001 Haw. Sess. Laws**, amends section 209 of the HHCA by authorizing DHHL to require a successor to a homestead lease under certain circumstances to secure private financing to repay any advances made from the Hawaiian home loan fund or the Hawaiian home general loan fund.

Does the amendment alter the qualifications of lessees?

No.

Does the amendment allow for an increase of encumbrances on DHHL lands?

No

Does the amendment reduce or impair the Hawaiian home-loan fund, the Hawaiian home-operating fund, or the Hawaiian home-development fund?

No. The successor was already responsible for the advances under current law. Act 122 merely authorizes the Commission to require private financing to satisfy the successor's obligation. Act 122 relates to administration of the HHCA and expands on the authority of the DHHL in managing its loan funds.

Does the amendment increase the benefits to lessees of Hawaiian home lands?

Yes. Protects the integrity of the Hawaiian home loan fund and the Hawaiian home general loan fund.

State AG Position: No Congressional Consent Required

U.S. Department of the Interior Position: No Congressional Consent Required

**5. Act 119, 2000 Haw. Sess. Laws**, amends the HHCA by permitting the Department of Hawaiian Home Lands to use either an open-bid or a closed-bid process when general leasing Hawaiian Home lands to a native Hawaiian, or organization or association owned or controlled by native Hawaiians, for commercial, industrial or other business purposes

Does the amendment alter the qualifications of lessees?

No.

Does the amendment allow for an increase of encumbrances on DHHL lands?

No

Does the amendment reduce or impair the Hawaiian home-loan fund, the Hawaiian home-operating fund, or the Hawaiian home-development fund?

No

Does the amendment increase the benefits to lessees of Hawaiian home lands?

n/a

State AG Position: No Congressional Consent Required

U.S. Department of the Interior Position: No Congressional Consent Required

**6. Act 27, 1998 Haw. Sess. Laws**, amends the HHCA by changing the designation of the Hawaiian home operating fund, the Hawaiian home receipts fund, the Hawaiian home trust fund, and the native Hawaiian rehabilitation fund from "special" funds to "trust" funds and leaving the Hawaiian homes administration account as the only special

fund. In general, Act 27 expands the authority of the Department of Hawaiian Home Lands in managing the various funds. In amending the status of the Hawaiian home operating fund from a "special" fund to a "trust" fund, the funds are excluded from the special fund assessment provisions of sections 36-27 and 36-30, Hawaii Revised Statutes.

Does the amendment alter the qualifications of lessees?

No.

Does the amendment allow for an increase of encumbrances on DHHL lands?

No

Does the amendment reduce or impair the Hawaiian home-loan fund, the Hawaiian home-operating fund, or the Hawaiian home-development fund?

No. The status of Hawaiian home-operating fund is changed from a "special" fund to a "trust" fund; thus, no longer making it subject to special fund assessments.

Does the amendment increase the benefits to lessees of Hawaiian home lands?

n/a

State AG Position: The change in status from a special fund to a trust fund does not represent a reduction or impairment of the Hawaiian home-operating fund. No Congressional Consent Required

U.S. Department of the Interior Position: No Congressional Consent Required

**7. Act 196, 1997 Haw. Sess. Laws**, amends the HHCA by permitting a homestead lessee to rent to another native Hawaiian "lodging within the lessee's existing home or in a separate residential dwelling constructed on the premises.

Does the amendment alter the qualifications of lessees?

No.

Does the amendment allow for an increase of encumbrances on DHHL lands?

No. Section 208(5), HHCA reads (with the proposed amendment language in quotes):

The lessee shall not sublet the person's interest in the tract or improvements thereon; "provided that a lessee may be permitted, with the approval of the department, to rent to a native Hawaiian or Hawaiians lodging either within the lessee's existing home or in a separate residential dwelling unit constructed on the premises."

If this sentence is considered in its entirety then it means the native Hawaiian renter remains unable to sublet a portion of the leasehold. The renter cannot, for example, encumber the leasehold with his own mortgage on a second dwelling on the property. He is only granted "lodging" within the lessee's house or in a second unit that the LESSEE

has built with approval of DHHL. No additional encumbrances are envisioned by this amendment because it does not provide authority for even the lessee himself to build a second house; that authority turns on the DHHL's approval pursuant to other provisions of the HHCA.

Does the amendment reduce or impair the Hawaiian home-loan fund, the Hawaiian home-operating fund, or the Hawaiian home-development fund?

No

Does the amendment increase the benefits to lessees of Hawaiian home lands.

Yes

State AG Position: Act 196, 1997 Haw. Sess. Laws, does not authorize subletting or additional encumbrances. Act 196 simply allows the lessee an opportunity for rental income. No Congressional Consent Required.

U.S. Department of the Interior Position: No Congressional Consent Required

**8. Act 197, 1997 Haw. Sess. Laws**, amends the HHCA by making technical corrections. These changes are non-substantive.

Does the amendment alter the qualifications of lessees?

No.

Does the amendment allow for an increase of encumbrances on DHHL lands?

No

Does the amendment reduce or impair the Hawaiian home-loan fund, the Hawaiian home-operating fund, or the Hawaiian home-development fund?

No

Does the amendment increase the benefits to lessees of Hawaiian home lands.

n/a

State AG Position: No Congressional Consent Required

U.S. Department of the Interior Position: No Congressional Consent Required

**9. Act 232, 1996 Haw. Sess. Laws**, amends the HHCA by increasing the ceiling on the aggregate departmental guarantee of loans made to lessees from \$21 million to \$50 million.

Does the amendment alter the qualifications of lessees?

No.

Does the amendment allow for an increase of encumbrances on DHHL lands?

No

Does the amendment reduce or impair the Hawaiian home-loan fund, the Hawaiian home-operating fund, or the Hawaiian home-development fund?

No. The DHHL guarantee of loans does not affect the Hawaiian home-operating fund in any way. The loan guarantee fund capitalization comes from State appropriations that are financed by general fund or general obligation bonds.

Does the amendment increase the benefits to lessees of Hawaiian home lands?

Yes. The increase in the ceiling of debt/guarantee liability clearly intends to increase the benefits to the lessees of Hawaiian home lands by making available an additional \$30 million, either by borrowing the money and lending it to them directly or by guaranteeing loans to them from other sources.

State AG Position: No Congressional Consent Required

U.S. Department of the Interior Position: No Congressional Consent Required.

**10. Act 14, 1995 Haw. Sess. Laws**, amends the HHCA by adding a new section designated as the “Hawaiian home lands trust fund” into which the State agreed to make twenty annual deposits of \$30 million dollars each or their discounted value equivalent.

Does the amendment alter the qualifications of lessees?

No.

Does the amendment allow for an increase of encumbrances on DHHL lands?

No

Does the amendment reduce or impair the Hawaiian home-loan fund, the Hawaiian home-operating fund, or the Hawaiian home-development fund?

No

Does the amendment increase the benefits to lessees of Hawaiian home lands.

Yes. \$30 million a year provides a steady predictable funding stream for DHHL to assist with their affordable housing goals.

State AG Position: No Congressional Consent Required

U.S. Department of the Interior Position: No Congressional Consent Required

**HB-2308**

Submitted on: 2/12/2026 3:59:09 AM

Testimony for JHA on 2/12/2026 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Angela Young	CARES	Support	Remotely Via Zoom

Comments:

Support.