

ACT 193

An Act Relating to Veterans' Mortgages and Providing for the Issuance of General Obligation Bonds to Obtain Funds Therefor.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Purpose. It is the purpose of this Act to authorize the issuance of an additional [~~\$10,000,000~~]~~\$~~5,000,000* in bonds to make funds available to purchase veterans' mortgages, to raise the limit on the unpaid balance of a mortgage which can be purchased from \$15,000 to \$22,500, to restrict eligibility to veterans who were residents of Hawaii upon entering military service and who have not previously received a like housing benefit, and to make other changes required by statehood and reorganization.

SECTION 2. Chapter 350 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting the words "treasurer" and "territory" wherever they appear in the chapter and by inserting in lieu thereof, except where otherwise amended, the words "director" and "state" respectively.

SECTION 3. Chapter 350 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended in the following respects:

(1) In section 350-1 by striking the phrase " 'treasurer' means the treasurer of the territory;" and inserting in lieu thereof:

" 'Director' means the director of the budget;" ;

(2) In section 350-2, as amended, by deleting the phrase "the market value thereof at the date of the written commitment of such purchase" and inserting in lieu thereof "that which is necessary to encourage the construction of veterans' housing but not in excess of the unpaid principal balance plus accrued and unpaid interest at the date of the purchase or commitment contract for purchase";

(3) In section 350-3 as follows:

(i) by deleting the date "July 1, 1954" from both places in item (a) and inserting in lieu thereof "July 1, 1961" in both places;

(ii) by deleting the number "15,000" from item (b) and inserting in lieu thereof the number "22,500"; and

(iii) by inserting two new items immediately following the item lettered "(f)" to read and to be designated as follows:

"(g) If the veteran was not a resident of the territory or State of Hawaii at the time he enlisted or was inducted or commissioned into the armed forces of the United States.

(h) If under this chapter or under the Servicemen's Readjustment Act of 1944, as amended, the veteran has previously been granted a direct loan or had any home mortgage guaranteed, insured or purchased.";

(4) In section 350-9 as follows:

(i) By amending the first paragraph to read as follows:

"**Section 350-9. Bonds.** In addition to the \$20,000,000 issued by the treasurer of the territory, the director may issue from time to time general obligation bonds of the State to an amount not exceeding [~~\$10,000,000~~]~~\$~~5,000,000* in the manner provided for by part I of chapter 137. The proceeds of such bonds shall be used solely for the making or purchase of veterans' mortgages as provided in this chapter."

(iii) By deleting the word "territorial" from both the first and second sen-

* Items reduced, W. Q.

tences of the second paragraph and inserting in lieu thereof the word "State" in both places ;

(5) In section 350-12 by deleting the phrase "office of the treasurer" from the first paragraph and inserting in lieu thereof the phrase "department of budget and review" and by deleting the words "treasurer's" and "territorial" from the second paragraph and inserting in lieu thereof the words "director's" and "State" respectively ; and

(6) By amending section 350-14 to read as follows :

"Section 350-14. Allotments. The director shall allocate from the new bond issue of [~~\$10,000,000~~] \$5,000,000 the sum of [~~\$5,500,000~~] \$2,750,000 for loans to veterans residing on Oahu, [~~\$2,000,000~~] \$1,000,000 for loans to veterans residing on Hawaii, [~~\$1,500,000~~] \$750,000 for loans to veterans residing on Maui and [~~\$1,000,000~~] \$500,000 for loans to veterans residing on Kauai.* These allocations of funds remain in effect for a period of two years following the effective date of this act. Any balance remaining in each of the funds at the end of such two year period shall be placed in a single fund and shall be made available to veterans on first come first serve basis.

SECTION 4. The proceeds of the bond issue of [~~\$10,000,000~~] \$5,000,000* authorized by this Act shall be used only to purchase veterans' mortgages issued and processed after the enactment of this Act.

SECTION 5. This Act shall take effect upon its approval.

(Approved July 13, 1961.) **S.B. 7.**
