

ACT 189

An Act Relating to Public Lands of the State of Hawaii.

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

SECTION 1. Section -22, section 2 of Act 32, Session Laws of Hawaii 1962, is hereby amended to read as follows:

“Section -22. **Consent to mortgage.** Whenever under any of the provisions of this chapter consent of the State is required as a condition precedent to the mortgage of, or the creation of a security interest in public land, the board may, upon due application, grant such consent, and if the mortgage or security interest is to a recognized lending institution authorized to do business as a lending institution in either the State of Hawaii or elsewhere in the United States, the consent may extend to foreclosure and sale at such foreclosure to any purchaser, including the mortgagee, without regard to whether or not the purchaser is qualified under the provisions of this chapter to lease, own or otherwise acquire and hold the land or any interest therein. The interest of the mortgagee or holder shall be freely assignable. The term ‘holder’ includes an insurer or guarantor of the obligation or condition of such mortgage, including the Federal Housing Administration, the Federal National Mortgage Association, the Veterans Administration, the Small Business Administration, Farmers Home Administration or any other federal agency and their respective successors and assigns or any lending institution authorized to do business in the State of Hawaii or elsewhere in the United States; provided, that the consent to mortgage to a nongovernmental holder shall not confer any greater rights or powers in the holder than those which would be required by any of the aforementioned federal agencies.

Notwithstanding any provision in this chapter to the contrary, in leases or sales for residential purposes, the board may waive or modify any restrictions of such lease or sale or any restrictions contained in any such lease or sale if such waiver or modification is necessary to enable any of the aforementioned federal agencies or any lending institution authorized to do business in the State of Hawaii or elsewhere in the United States to participate in any loan secured by a mortgage on the land or the leasehold interest; provided, any such waiver or modification shall not confer any greater rights or powers in the holder than those which would be required by the Federal Housing Administration or the Farmers Home Administration.”

SECTION 2. This Act shall take effect upon its approval.

(Approved June 4, 1963.) **S.B. 438.**