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S. B. 378.

A Bill for an Act Relating to the Retirement System's Investment in Home Mortgages and Amending Chapter 6 of the Revised Laws of Hawaii 1955.

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

SECTION 1. The first sentence of subsection 6-75(b) of the Revised Laws of Hawaii 1955, is amended to read as follows:

"Bonds and notes secured by first mortgages or deeds of trust on unencumbered, improved real estate in the State owned in fee simple, such bond or note not to exceed 60.6 per cent of the appraised market value of the real estate over and above all taxes due; provided that for first mortgages or deeds on such real estate securing bonds and notes of \$50,000 or less, such bond or note shall not exceed 75 per cent of the appraised market value of the real estate over and above all taxes due; provided further that no building shall be included in such value beyond the amount of the insurance thereon for which a policy shall have been transferred to the board and kept in force as long as the loan continues; investments in real estate and improvements shall not exceed 75 per cent of the total amount in the several funds of the system."

SECTION 2. The first sentence of subsection 6-75(o) of the Revised Laws of Hawaii 1955, as amended, is amended to read as follows:

"Such leasehold interests in improved real property as may be conveyed to it by way of mortgage; provided that such leasehold interest shall continue for a period of not less than two years after the maturity of the mortgage debt and that such mortgage constitutes a first lien upon the leasehold interest and improvements and does not secure an amount greater than 70 per cent of the value of the improvements, except that for mortgages of \$50,000 or less, such mortgage may secure an amount which is not greater than 75 per cent of the value of the improvements; and provided that such mortgage shall provide specifically for full protection to the system with respect to the

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usual insurance risks, taxes, assessments, other governmental levies, maintenance and repairs.”

SECTION 3. This Act shall take effect upon its approval.
(Approved May 30, 1967.)