

**ACT 118**

**H.B. NO. 1931-78**

**A Bill for an Act Relating to Staff Mortgage Guarantee Fund.**

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

**SECTION 1.** Section 359G-12, Hawaii Revised Statutes, is amended by amending subsection (g) to read:

“(g) When any installment of principal and interest has been due for sixty days and has not been paid by the borrower, the private lender may file a claim for the guaranteed portion of the overdue payments with the director of finance who may then authorize vouchers for these payments, thereby acquiring a division of interest in the collateral pledged by the borrower in proportion to the amount of the payment. The director of finance shall be reimbursed for any amounts so paid plus the applicable interest rate, where payment is collected from the borrower.”

SECTION 2. Section 359G-12, Hawaii Revised Statutes, is amended by amending subsection (k) to read:

“(k) There is created a special fund to be known as the “State mortgage guarantee fund”. All interest and fees collected under this section by the director of finance and the Hawaii housing authority shall be deposited into this fund. The purpose of the fund is to guarantee payment of loans made under this section and to carry on the operations of the director of finance and the authority in administering and granting loans under this section. All disbursements from the State mortgage guarantee fund shall be paid out on vouchers approved by the director of finance and warrants signed by the comptroller.”

SECTION 3. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.\*

SECTION 4. This Act shall take effect upon its approval.

(Approved May 24, 1978.)

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\*Edited accordingly.