

ACT 288

H. B. NO. 2029-80

A Bill for an Act Relating to the Hawaii Housing Authority.
Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 356-201, Hawaii Revised Statutes, is amended by amending the definition of “eligible borrower” to read:

““Eligible borrower” means any person or family, irrespective of race, creed, national origin, or sex, who:

- (1) Is a citizen of the United States or a declarant alien;
- (2) Is a bona fide resident of the State;
- (3) Is at least of legal age;
- (4) Does not himself or herself, or whose spouse if the person is married, own any interest in any residential property within or without the State and who has not owned such property within the three years immediately prior to the application for an eligible loan under this chapter;
- (5) Has never before obtained a loan under this part; and
- (6) Meets other qualifications as established by rules adopted by the authority.”

SECTION 2. Section 356-206, Hawaii Revised Statutes, is amended to read as follows:

“**Sec. 356-206 Rules; eligible borrower.** (a) The authority shall establish the qualifications of an eligible borrower, and may consider, but not be limited to, the following:

- (1) The proportion of income spent for shelter;
- (2) Size of the family;
- (3) Cost and condition of housing available to the total housing market; and
- (4) Ability of the person to compete successfully in the normal housing market and to pay the amounts on which private enterprise is providing loans for safe, decent, and sanitary housing in the State.

(b) The adjusted household income of an eligible borrower shall not exceed one hundred twenty-five per cent of the median annual income for households of four persons in the State as most recently published by the United States Department of Health, Education and Welfare except that the adjusted household income of a family of one shall not exceed one hundred per cent of such median income. As used in this subsection, “adjusted household income” means the total income, before taxes and personal deductions, received by all members of the eligible borrower’s household, including, but not limited to, wages, social security payments, retirement benefits, unemployment benefits, welfare benefits, interest and dividend payments, and such other income as provided by rules adopted by the authority under chapter 91, but not including business deductions.

(c) The assets of an eligible borrower shall not exceed an amount equal to the adjusted household income for an eligible borrower as set forth in subsection (b). As used herein, assets include, but is not limited to, all cash, securities, and real and personal property, less any outstanding liabilities secured by such assets and less twenty-five per cent of a down payment required for the purchase of property financed by an eligible loan.”

SECTION 3. Act 50, Session Laws of Hawaii 1979, is amended by amending section 7 to read as follows:

“**SECTION 7. Issuance of revenue bond; amount authorized.** Revenue bonds may be issued by the authority pursuant to part III, chapter 39 and part II,

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chapter 356, Hawaii Revised Statutes, in an aggregate principal amount not to exceed \$225,000,000 at such times and in such amounts as it deems advisable for the purpose of undertaking and maintaining any of the housing loan programs in part II of chapter 356, Hawaii Revised Statutes, relating to the funding or purchasing of eligible loans.”

SECTION 4. Section 5, Act 50, Session Laws of Hawaii 1979, is repealed.

SECTION 5. Statutory material to be repealed is bracketed. New material is underscored.*

SECTION 6. This Act shall take effect upon its approval.

(Approved June 17, 1980.)

*The text has been edited pursuant to HRS §23G-16.5, authorizing omission of the brackets, bracketed material, and underscoring.