

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

ACT 283

H.B. NO. 2838-82

A Bill for an Act Relating to the Hawaii Housing Authority.

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SECTION 1. Section 359G-12, Hawaii Revised Statutes, is amended as follows:

1. Subsection (a) is amended to read:

"(a) [At the request of the] The authority [the director of finance] may guarantee the top twenty-five per cent of the principal balance of real property mortgage loans of qualified single-family or multi-family housing; a maximum of one hundred per cent of the principal balance of real property mortgage loans of qualified single-family housing under section 213 of the Hawaiian Homes Commission Act; [the top twenty-five per cent] a maximum of one hundred per cent of the principal balance or real property mortgage loans of single-family and multi-family housing developed under self-help or shell housing programs; plus the interest due thereon, made to qualified borrowers by qualified private lenders; provided that at no time shall the State's liability, contingent or otherwise, on such guarantees exceed \$10,000,000. For the purposes of this section, the term "self-help housing program" means development or conservation of housing in which prospective homeowners have contributed labor, materials, or real property; [which] provided that at least two-thirds of the participating homeowners are qualified by income for assistance under this chapter; and [which] provided further that the program is carried out under sponsorship of a nonprofit community organization. For the purposes of this section, the term "shell housing program" means development of housing which is habitable but unfinished and can be completed or expanded; provided that at least one hundred per cent of the participating homeowners are qualified by income for assistance under this chapter; and provided further that the program is carried out under sponsorship of a public nonprofit or private organization."

2. Subsection (f) is amended to read:

"(f) In return for the [director of finance's] authority's guarantee, the private lender shall remit out of interest collected an insurance fee as may be established by the [director of finance, provided that this fee shall not be added to any amount which the borrower is obligated to pay.] authority. The funds remitted shall be placed in the state mortgage guarantee fund provided for in subsection (k)."

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$400,000 for fiscal year 1982-1983, to be paid into the state mortgage guarantee fund created in section 359G-12(k), Hawaii Revised Statutes. The sum appropriated by this Act shall be expended by the Hawaii housing authority for the purposes of the fund.

SECTION 3. Statutory material to be repealed is bracketed. New material is underscored.

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

(Approved June 18, 1982.)