

A Bill for an Act Relating to the Housing Loan and Mortgage Program.

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

SECTION 1. The purpose of this Act is to provide more flexibility by allowing the maximum qualifying income limits under the Hula Mae program to be increased according to a prescribed formula if the annual interest rate on the Hula Mae loan exceeds ten per cent. This will allow qualification restrictions to be more sensitive to market forces, rather than be arbitrarily fixed and insensitive to relative demand.

SECTION 2. Section 356-206, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The adjusted household income of an eligible borrower shall not exceed [one hundred fifty 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 and Human Services in November 1980, except that the adjusted household income of a family of one shall not exceed one hundred per cent of such median income.] the amount established by the authority pursuant to this section. For an eligible borrower with a family of four persons, the amount shall be equal to one hundred fifty per cent of the median annual income for households of four persons in the State as published by the United States Department of Health and Human Services in November 1980; provided that the amount may be increased by four per cent for each one-half per cent that the annual interest rate on the eligible loan exceeds ten per cent. For an eligible borrower with a family of other than four persons, the amount computed above for a family of four persons shall be adjusted in accordance with rules adopted by the authority. 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.”

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 Statutory material to be repealed is bracketed.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 13, 1983.)