

ACT 242

H.B. NO. 865

A Bill for an Act Relating to Low-interest Loans to Disaster Victims and Making an Appropriation Therefor.

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

SECTION 1. The purpose of this Act is to provide low-interest loans to the residents and citizens of Hawaii who have suffered the loss of their homes and lands to the devastating effects of the continued volcanic eruptions on the island of Hawaii. Under current law, chapters 127, 171, and 209, Hawaii Revised Statutes, some of Kilauea lava flow victims do not qualify for existing disaster

recovery loans. Some Kilauea lava flow residents and citizens do not have sufficient income to qualify for loan assistance to purchase replacement land and build a home. These residents and citizens may be in need of a one-time public relief program with specific requirements for the repayment of low-interest loans to assist in rebuilding their homes in an area of lesser volcanic risk.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,750,000, or so much thereof as may be necessary for fiscal year 1991-1992, to provide low-interest land acquisition, home construction, and mortgage loans of up to \$35,000 each to residents and citizens of Hawaii who have been dispossessed of their homes and lands as a result of the continued volcanic eruptions on the island of Hawaii which began on January 3, 1983; provided that the rate of interest on loans pursuant to this Act shall not exceed three per cent per annum and interest earnings on loans made pursuant to this Act may be used for administrative and other expenses necessary for administering the loan program. Guidelines shall be established by the housing finance and development corporation with respect to loan terms and loan qualification criteria. Moneys appropriated for the purposes of this Act shall be deposited into the housing finance revolving fund; provided that upon fulfillment of the purposes of this Act, all unencumbered moneys shall lapse into the state general fund.

SECTION 3. The housing finance and development corporation shall administer the loans for the purposes of this Act, and shall adopt rules pursuant to chapter 91 to carry out the purposes of this Act.

SECTION 4. The sum appropriated shall be expended by the housing finance and development corporation for the purposes of this Act.

SECTION 5. This Act shall take effect on July 1, 1991.

(Approved June 12, 1991.)