
A BILL FOR AN ACT

RELATING TO HOUSING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 201H, Hawaii Revised Statutes, is
2 amended by adding a new part to be appropriately designated and
3 to read as follows:

4 **"PART . ELDERLY HOUSING RENOVATION REVOLVING LOAN FUND**

5 **§201H- Purpose.** The legislature finds that many elderly
6 persons own older dwellings that require renovations to comply
7 with building, electrical, and plumbing codes. These
8 renovations are costly and, for the most part, unaffordable for
9 many elderly persons with fixed incomes. The cost of these
10 essential residential renovations, however, is far less than the
11 alternative of institutional care for the elderly. Assisting
12 elderly residents with essential residential repairs also
13 ensures that the State's housing inventory is in compliance with
14 building, electrical, and plumbing codes.

15 The purpose of this part is to assist elderly homeowners in
16 renovating their residences to provide safe dwellings and allow
17 these homeowners to maintain an independent lifestyle.



1 **§201H- Elderly housing renovation revolving loan fund.**

2 (a) There is created an elderly housing renovation
3 revolving loan fund to be administered by the corporation. The
4 revolving loan fund shall be separate from all other funds under
5 this chapter and shall provide low interest loans to eligible
6 elderly persons to repair their residences; provided that the
7 maximum loan amount shall be \$ per residence occupied by
8 an eligible elderly person.

9 (b) Loans provided under this section shall be used by
10 loan recipients to renovate their residences to remediate unsafe
11 living conditions and to comply with building, electrical, or
12 plumbing codes, or any combination thereof.

13 (c) Any funds appropriated for, or received or collected
14 by the corporation for the purpose of the elderly housing
15 renovation revolving loan fund shall be used for the revolving
16 loan fund, including costs to administer the revolving loan
17 fund.

18 **§201H- Fund administration.** (a) The corporation shall
19 establish the terms and conditions of the elderly housing
20 renovation revolving loan fund, including loan maturity,
21 interest rates, collateral, monetary penalties, and other



1 requirements for the revolving loan fund; provided that an
2 eligible applicant shall:

3 (1) Be at least fifty-five years of age at the time of the
4 loan application, or at least one of the applicants in
5 the case of a married couple or parties to a
6 reciprocal beneficiary relationship shall meet this
7 requirement;

8 (2) Earn an annual gross income that does not exceed
9 \$, in the case of a single applicant, or
10 \$, in the case of a married couple or parties
11 to a reciprocal beneficiary relationship;

12 (3) Have resided continuously within the residence to be
13 renovated through a loan provided under this part for
14 at least years immediately preceding the date of
15 the loan application; or at least one of the
16 applicants in the case of a married couple or parties
17 to a reciprocal beneficiary relationship shall meet
18 this requirement; and

19 (4) Agree as part of the terms of the loan agreement to
20 continue to reside in the renovated residence for at
21 least years, beginning from the date the



1 corporation determines the renovations have been
2 completed.

3 (b) Any person who fails to meet the terms under
4 subsection (a) (4) or vacates or sells the person's interest in a
5 residence renovated through a loan provided under this part
6 shall be subject to a penalty equal to the compounded difference
7 between the interest rate charged by the corporation under the
8 revolving loan fund loan and the average of the interest rates
9 for a similar loan charged by the three largest banks chartered
10 to do business in the state at the time the loan provided under
11 this part was approved. The corporation may waive the penalty
12 authorized under this subsection for good cause as determined by
13 the corporation.

14 (c) The corporation may take all necessary actions to
15 collect any delinquent loan amounts for default on any principal
16 or interest on any loans made from the elderly housing
17 renovation revolving loan fund and to otherwise secure the loans
18 in a manner that affords reasonable protection of the State's
19 interests. The corporation may enter into agreements or
20 purchase services required for the purposes of the elderly
21 housing renovation revolving fund loan including holding loan



1 payments in any state or national bank authorized to do business
2 in the state.

3 §201H- Rules. The corporation, in consultation with the
4 appropriate county agencies with jurisdiction over building,
5 electrical, and plumbing codes, shall adopt rules in accordance
6 with chapter 91 for the purposes of this part.

7 §201H- Additional powers. The powers conferred upon the
8 corporation by the elderly housing renovation revolving loan
9 fund shall be in addition and supplemental to the powers
10 conferred by any other law, and nothing herein shall be
11 construed as limiting any powers, rights, privileges, or
12 immunities so conferred."

13 SECTION 2. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$ for
15 fiscal year 2007-2008 and the same sum for fiscal year 2008-2009
16 for deposit into the elderly housing renovation revolving loan
17 fund.

18 SECTION 3. There is appropriated out of the elderly
19 housing renovation revolving loan fund the sum of \$ or so
20 much thereof as may be necessary for fiscal year 2007-2008 and
21 the same sum or so much thereof as may be necessary for fiscal
22 year 2008-2009 for the purposes of this Act.



1 The sums appropriated shall be expended by the Hawaii
2 housing finance and development corporation for the purposes of
3 this Act.

4 SECTION 4. This Act shall take effect on July 1, 2007.



Report Title:

Low-interest Loan Program; Elderly Housing Renovations

Description:

Establishes a low-interest loan program for persons who are at least 55 years of age who meet income and occupancy qualifications to repair their homes to comply with building, electrical, and plumbing codes. Establishes the Elderly Housing Renovation Revolving Loan Fund. (HB709 HD1)

