

JAN 17 2014

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# 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 section to be appropriately designated  
3 and to read as follows:

4           "§201H- Homeownership revolving fund; established. (a)

5 There is established in the state treasury the homeownership  
6 revolving fund to assist certain families or individuals seeking  
7 homeownership. The revolving fund shall be administered by the  
8 corporation in partnership with community organizations.

9           (b) The revolving fund shall be used to pay the debt  
10 service for a dwelling or dwelling unit purchased by an eligible  
11 family or individual for the first sixty months at zero per cent  
12 interest; provided that:

13           (1) Payments will be made through monthly mortgage  
14 payments beginning with the first scheduled loan  
15 payment;

16           (2) The family's or individual's income does not exceed  
17 eighty per cent of the area median income as



determined by the United States Department of Housing  
and Urban Development;

(3) Upon the sixty-first month, the family or individual  
pays interest to the revolving fund on a graduated  
scale; and

(4) The community organization assisting these families or  
individuals shall guarantee the loan to the family or  
individual.

The corporation shall adopt rules to specify the graduated  
scale and additional eligibility or qualification requirements.

(c) Moneys appropriated for the purposes of this section  
shall be deposited into the homeownership revolving fund.

(d) The corporation shall adopt rules in accordance with  
chapter 91 to effectuate the purposes of this section."

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2014.

INTRODUCED BY:

*Shiranne Chun*

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# S.B. NO. 2543

**Report Title:**

Homeownership Revolving Fund; Debt Service

**Description:**

Establishes the homeownership revolving fund to assist households whose income does not exceed eighty per cent of the area median income by allowing the households to pay no debt service at zero per cent interest for the first sixty months and then pay interest on a graduated scale.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

