



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 11, 2017 **GOV. MSG. NO. 1280**

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 11, 2017, the following bill was signed into law:

SB584 SD1 HD1 CD1

RELATING TO MORTGAGES
ACT 166 (17)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO MORTGAGES.

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

1 SECTION 1. The legislature finds that the Hawaii housing
2 finance and development corporation is tasked with developing
3 and financing low- and moderate-income housing projects and
4 administering homeownership programs. One function of the
5 Hawaii housing finance and development corporation is providing
6 mortgages for affordable housing units to qualifying residents.

7 The legislature further finds that affordable units priced
8 between \$350,000 and \$600,000 might still be unaffordable to
9 first-time buyers without the financial assistance of family and
10 friends. The legislature additionally finds that the "family"
11 of Hawaii's residents frequently extends to cousins, uncles,
12 aunties, step-parents, and hanai family members who may not be
13 considered family under the definition used by the Hawaii
14 housing finance and development corporation, but who have the
15 financial capacity and the willingness to assist buyers with the
16 down payment or the qualification for a mortgage.

17 The purpose of this Act is to allow an extended or hanai
18 family member to act as a co-mortgagor in assisting a qualified



1 resident in securing a mortgage to purchase a dwelling unit from
2 the Hawaii housing finance and development corporation.

3 SECTION 2. Section 201H-46, Hawaii Revised Statutes, is
4 amended to read as follows:

5 " ~~[§] 201H-46 [§]~~ Co-mortgagor. For purposes of qualifying
6 for a mortgage loan to finance the purchase of a dwelling unit
7 under this part, a ~~[a]~~ qualified resident ~~[a]~~ as defined in
8 section 201H-32 may be assisted by a co-mortgagor who is a
9 family member as defined by the corporation, and who may include
10 extended or hanai family members, who may own other lands in fee
11 simple or leasehold suitable for dwelling purposes, whose
12 interest in the dwelling unit to be purchased is limited to no
13 more than one per cent, and who certifies that the co-mortgagor
14 does not intend to reside in the dwelling unit. The income and
15 assets of the co-mortgagor shall not be counted in determining
16 the eligibility of the ~~[a]~~ qualified resident ~~[a]~~ under this
17 chapter."

18 SECTION 3. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 4. This Act shall take effect on July 1, 2017.

APPROVED this 11 day of JUL, 2017



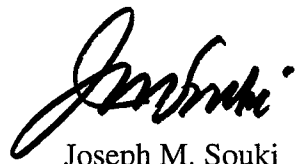
GOVERNOR OF THE STATE OF HAWAII

SB No. 584, SD 1, HD 1, CD 1

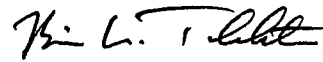
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2017
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2017.



Joseph M. Souki
Speaker
House of Representatives

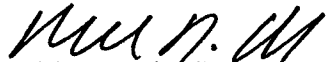



Brian L. Takeshita
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAII

Date: May 2, 2017
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the
Senate of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2017.


President of the Senate


Clerk of the Senate