

MAR 7 - 2019

SENATE CONCURRENT RESOLUTION

SUPPORTING THE GOVERNOR'S EFFORTS IN URGING THE BANK OF AMERICA TO RETURN TO HAWAII TO MEET WITH NA PO'E KŌKUA AND THE HAWAII FAIR LENDING COALITION TO REACH A SETTLEMENT AGREEMENT RELATING TO A \$150,000,000 LOAN COMMITMENT FOR NATIVE HAWAIIANS ON HAWAIIAN HOME LANDS.

1 WHEREAS, in 1993, Na Po'e Kōkua, an organization established
2 to assist native Hawaiians with housing and related matters,
3 formed the Hawaii Fair Lending Coalition (HFLC) and began
4 researching how banks in Hawaii were treating native Hawaiians;
5 and

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7 WHEREAS, among its findings, HFLC discovered that Bank of
8 America was conducting discriminatory lending practices in the
9 form of redlining, the practice of denying services to residents
10 of certain areas based on the racial or ethnic composition of
11 those areas, by not providing mortgages on Hawaiian homelands;
12 and

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14 WHEREAS, in May 1994, as a result of HFLC's efforts and as
15 a condition of Bank of America's acquisition of Liberty Bank,
16 the Federal Reserve System and Office of Thrift Supervision
17 ordered Bank of America to make \$150,000,000 in Federal Housing
18 Administration section 247 (FHA-247) mortgages available on
19 Hawaiian homelands by 1998; and

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21 WHEREAS, by the 1998 deadline, Bank of America provided
22 only \$3,109,502 of the \$150,000,000 in FHA-247 mortgages ordered
23 by the Federal Reserve System; and

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25 WHEREAS, in 1998, Bank of America recommitted to meet the
26 \$150,000,000 loan commitment to native Hawaiians and to pay a
27 \$4,500,000 late fee based on the opportunity cost of its failure
28 to fulfill its required commitment; and

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1 WHEREAS, the Bank of America executive responsible for this
2 recommitment was Catherine P. Bessant, then in charge of
3 Community Development, who traveled to Hawaii with other senior
4 bank executives in August 1998 to meet with Governor Cayetano,
5 Hawaiian kupuna, and other community leaders from the HFLC at
6 Iolani Palace; and

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8 WHEREAS, in 2012, the Hawaiian Homes Commission unanimously
9 confirmed that the Bank of America commitment remained
10 unfulfilled and expressed support for HFLC's consistent and
11 ongoing efforts to hold Bank of America accountable; and

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13 WHEREAS, on April 18, 2018, Governor Ige invited Catherine
14 P. Bessant, now Chief Operations and Technology Officer of Bank
15 of America, to return to Hawaii to meet with Na Po'e Kōkua and
16 HFLC to reach a fair and final settlement of Bank of America's
17 outstanding \$150,000,000 loan commitment to the Hawaiian people
18 on their homelands; and

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20 WHEREAS, Bank of America originated \$13,092,314 in loans on
21 Hawaiian homelands from 1994 to 2012, and has made no FHA-247
22 loans since then, according to account information provided by
23 the United States Department of Housing and Urban Development
24 (HUD) on August 20, 2018, in response to a Freedom of
25 Information Act request; and

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27 WHEREAS, based upon HUD data, preliminary estimates for
28 Bank of America's late fees are approximately \$360,600,000 for
29 lost opportunities for building equity, reaping the benefits of
30 a booming housing market, and paying affordable mortgages rather
31 than skyrocketing rents over the last twenty years for 890
32 native Hawaiian families who should have received Bank of
33 America mortgages by 1998, but did not, and the families who did
34 receive loans up to thirteen years after the deadline; now,
35 therefore,

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37 BE IT RESOLVED by the Senate of the Thirtieth Legislature
38 of the State of Hawaii, Regular Session of 2019, the House of
39 Representatives concurring, that this body supports the
40 Governor's efforts in urging Bank of America to return to Hawaii
41 to meet with Na Po'e Kōkua and the Hawaii Fair Lending Coalition
42 to reach a settlement agreement relating to Bank of America's



1 outstanding \$150,000,000 loan commitment to native Hawaiians on
2 Hawaiian homelands, now twenty years overdue; and
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4 BE IT FURTHER RESOLVED that the Chief Operations and
5 Technology Officer of Bank of America is urged to return to
6 Hawaii to meet with HFLC to reach a fair and final settlement,
7 as invited by Governor Ige; and
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9 BE IT FURTHER RESOLVED that in addition to providing the
10 mortgages on Hawaiian homelands as ordered by the Federal
11 Reserve System, Bank of America is requested to address the
12 estimated \$360,600,000 in opportunity costs for native Hawaiians
13 on Hawaiian homelands and a \$4,500,000 late fee for failing to
14 fulfill its required commitment; and
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16 BE IT FURTHER RESOLVED that certified copies of this
17 Concurrent Resolution be transmitted to the Chairman of the
18 Board of Governors of the Federal Reserve System; Hawaii's
19 Congressional delegation; Governor; Chairpersons of the County
20 Councils of the County of Kauai, County of Hawaii, County of
21 Maui, and City and County of Honolulu; President of Na Po'e
22 Kōkua; Chief Executive Officer of Bank of America; and Chief
23 Operations and Technology Officer of Bank of America.
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OFFERED BY:

