
SENATE CONCURRENT RESOLUTION

SUPPORTING THE GOVERNOR'S EFFORTS IN INVESTIGATING AND URGING
THE BANK OF AMERICA TO RETURN TO HAWAII TO MEET WITH NA PO'E
KOKUA AND THE HAWAII FAIR LENDING COALITION REGARDING A
\$150,000,000 LOAN COMMITMENT FOR NATIVE HAWAIIANS ON
HAWAIIAN HOMELANDS.

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

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25 WHEREAS, the Federal Reserve also required that Bank of
26 America provide \$30,000,000 in below market financing to low-
27 income families on Kaua'i to help with the island's recovery from



1 Hurricane 'Iniki, yet according to HFLC none of this required
2 financing was provided on Kaua'i; and
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4 WHEREAS, according to HFLC, in 1998 Bank of America
5 recommitted to meet the \$150,000,000 loan commitment to native
6 Hawaiians and to pay a \$4,500,000 late fee based on the
7 opportunity cost of its failure to fulfill its required
8 commitment; and
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10 WHEREAS, according to HFLC, the Bank of America executive
11 responsible for this recommitment was Catherine P. Bessant, then
12 in charge of Community Development, who traveled to Hawaii with
13 other senior bank executives in August 1998 to meet with
14 Governor Cayetano, Hawaiian kupuna, and other community leaders
15 from the HFLC at Iolani Palace; and
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17 WHEREAS, Bank of America claims it met its commitments in
18 2007 and allegedly received formal acknowledgment from the
19 Department of Hawaiian Home Lands that the \$150,000,000
20 commitment had been met; and
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22 WHEREAS, according to HFLC, in 2012 the Hawaiian Homes
23 Commission unanimously confirmed that the Bank of America
24 commitment remained unfulfilled and expressed support for HFLC's
25 consistent and ongoing efforts to hold Bank of America
26 accountable; and
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28 WHEREAS, on April 18, 2018, Governor Ige invited Catherine
29 P. Bessant, now Chief Operations and Technology Officer of Bank
30 of America, to return to Hawaii to meet with Na Po'e Kōkua and
31 HFLC to investigate Bank of America's \$150,000,000 loan
32 commitment to the Hawaiian people on their homelands; and
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34 WHEREAS, Bank of America originated \$13,092,314 in loans on
35 Hawaiian homelands from 1994 to 2012, and has made no FHA-247
36 loans since then, according to account information provided by
37 the United States Department of Housing and Urban Development
38 (HUD) on August 20, 2018, in response to a Freedom of
39 Information Act request; and
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41 WHEREAS, according to HFLC, based upon HUD data the
42 preliminary estimates for Bank of America's late fees are



1 approximately \$360,600,000 for lost opportunities for building
2 equity, reaping the benefits of a booming housing market, and
3 paying affordable mortgages rather than skyrocketing rents over
4 the last twenty years for 890 native Hawaiian families who
5 should have received Bank of America mortgages by 1998, but did
6 not, and the families who did receive loans up to thirteen years
7 after the deadline; now, therefore,

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9 BE IT RESOLVED by the Senate of the Thirtieth Legislature
10 of the State of Hawaii, Regular Session of 2019, the House of
11 Representatives concurring, that this body supports the
12 Governor's efforts in investigating and urging Bank of America
13 to return to Hawaii to meet with Na Po'e Kōkua and the Hawaii
14 Fair Lending Coalition regarding Bank of America's \$150,000,000
15 loan commitment to native Hawaiians on Hawaiian homelands; and
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17 BE IT FURTHER RESOLVED that the Chief Operations and
18 Technology Officer of Bank of America is urged to return to
19 Hawaii to meet with HFLC, as invited by Governor Ige; and
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21 BE IT FURTHER RESOLVED that in addition to providing the
22 mortgages on Hawaiian homelands as ordered by the Federal
23 Reserve System, Bank of America is requested to address the
24 alleged \$360,600,000 in opportunity costs for native Hawaiians
25 on Hawaiian homelands and an alleged \$4,500,000 late fee for
26 failing to fulfill its required commitment; and
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28 BE IT FURTHER RESOLVED that certified copies of this
29 Concurrent Resolution be transmitted to the Chairman and each
30 member of the Board of Governors of the Federal Reserve System;
31 Hawaii's Congressional delegation; Governor; Chairpersons of the
32 County Councils of the County of Kauai, County of Hawaii, County
33 of Maui, and City and County of Honolulu; President of Na Po'e
34 Kōkua; Chief Executive Officer of Bank of America; and Chief
35 Operations and Technology Officer of Bank of America.

