

STAND. COM. REP. NO. 1802

Honolulu, Hawaii

APR 03 2019

RE: S.C.R. No. 45
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Hawaiian Affairs, to which was referred
S.C.R. No. 45 entitled:

"SENATE CONCURRENT RESOLUTION SUPPORTING THE GOVERNOR'S
EFFORTS IN URGING THE BANK OF AMERICA TO RETURN TO HAWAII TO
MEET WITH NA PO'E KOKUA 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,"

begs leave to report as follows:

The purpose and intent of this measure is to support 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.

Your Committee received testimony in support of this measure
from the Office of the Mayor, County of Maui; Maui County Council;
three members of the Maui County Council; three members of the
Kaua'i County Council; University of Hawaii, Maui College; O'ahu
County Democrats Legislative Priorities Committee; Hawai'i Alliance
for Community-Based Economic Development; Ho'omanapono Political
Action Committee; Na Po'e Kokua; and sixteen individuals. Your
Committee received testimony in opposition to this measure from
the Bank of America.



Your Committee finds that in 1993 the Hawaii Fair Lending Coalition (HFLC) discovered that Bank of America was conducting discriminatory lending practices in the form of redlining, the practice of denying services to residents of certain areas based on the racial or ethnic composition of those areas, by not providing mortgages on Hawaiian homelands. In response to HFLC's efforts, the Federal Reserve System ordered Bank of America to make \$150,000,000 in Federal Housing Administration section 247 (FHA-247) mortgages available on Hawaiian homelands by 1998. Your Committee further finds that, according to HFLC, Bank of America failed to meet its commitment and supplied only \$3,109,502 in loans by 1998 and subsequently Bank of America reaffirmed its loan commitment of \$150,000,000.

Your Committee notes testimony submitted by the Bank of America that the Department of Hawaiian Home Lands agreed to modify the original terms of the agreement to apply initiatives besides residential mortgage loans toward the \$150,000,000 commitment. Bank of America further claims that after the terms of the agreement were modified, it was able to fulfill its obligations by 2007 and contends that the Department of Hawaiian Home Lands confirmed that the Bank of America had met its obligations.

Your Committee finds that significant questions pertaining to this matter remain and encourages the Governor's efforts in investigating whether Bank of America has outstanding obligations to the Native Hawaiian community.

Your Committee has amended this measure by:

- (1) Updating the findings to acknowledge that the Federal Reserve mandated that the Bank of America provide below market financing to assist Kaua'i in recovering from Hurricane 'Iniki and, according to HFLC, those loans were never provided;
- (2) Updating the findings to include the Bank of America's position on its loan commitment and to indicate that certain findings express HFLC's position;
- (3) Supporting the Governor's efforts in investigating this matter;



- (4) Adding each member of the Board of Governors of the Federal Reserve System as a recipient of a certified copy; and
- (5) Amending the title accordingly.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 45, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 45, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Hawaiian Affairs,



MAILE S.L. SHIMABUKURO, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Hawaiian Affairs
HWN

Bill / Resolution No.:* <i>SCR 45</i>	Committee Referral: <i>HWN</i>	Date: <i>3/28/19</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
SHIMABUKURO, Maile S.L. (C)	/			
KAHELE, Kaiali'i (VC)				/
IHARA, Jr., Les	/			
KEOHOKALOLE, Jarrett	/			
FEVELLA, Kurt				/
TOTAL	<i>3</i>			<i>2</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes