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**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

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TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
DECISION MAKING ON FEBRUARY 20, 2020 AT 10:35AM IN CR 211

SB 2826, SD1 RELATING TO THE HAWAIIAN HOMES COMMISSION ACT

February 19, 2020

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) submits comments on this bill which requires DHHL to develop and implement a loan servicing manual.

This measure would amend section 216 of the HHCA requiring DHHL to develop and implement a loan servicing manual, subject to commission approval, to standardize loan loss mitigation policies, procedure, and methods. DHHL has written loan servicing guidelines and Department staff work one-on-one with lessees who are experiencing challenges in paying their mortgages. These challenges may include, but are not limited to, job loss, a medical emergency, or a family crisis. In addition, loan officers with DHHL provide payment options and financial counseling paid for by the Department. To ensure the availability of adequate assistance, lessees are contacted by postal mail, phone, e-mail, and through in-person visits, if necessary. Given the existing written loan servicing guidelines already in place and the process currently underway to update these written guidelines, this bill amending the HHCA is unnecessary

Thank you for your consideration of our testimony.