

STAND. COM. REP. NO.

184

Honolulu, Hawaii

FEB 11 , 2021

RE: H.B. No. 1124
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Water & Land, to which was referred H.B. No. 1124 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT,"

begs leave to report as follows:

The purpose of this measure is to amend the Hawaiian Homes Commission Act to:

- (1) Require appraisals of improvements to identify the replacement cost or the leasehold market value;
- (2) Grant authority to the Department of Hawaiian Home Lands to authorize second position loans on homestead leases by approved lenders;
- (3) Require the Department of Hawaiian Home Lands to develop and implement a loan servicing manual, subject to commission approval, to standardize loan loss mitigation policies, procedures, and methods; and
- (4) Clarify that the Department of Hawaiian Home Lands shall not cancel a lease solely based on a loan default or delinquency unless all loan loss mitigation procedures are exhausted pursuant to the loan services manual.



Your Committee received testimony in support of this measure from the Sovereign Council of Hawaiian Homestead Associations. Your Committee received comments on this measure from the Department of Hawaiian Home Lands.

Your Committee finds that this measure attempts to provide adequate improvement asset valuations, access to second position equity capital, and loan servicing best practices to native Hawaiian families on Hawaiian home lands. While your Committee recognizes the uniqueness of Hawaiian home lands, your Committee urges the Department of Hawaiian Home Lands to work with the Sovereign Council of Hawaiian Homestead Associations to find common ground on this measure as it moves through the legislative process.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1124, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1124, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on
behalf of the members of the
Committee on Water & Land,



DAVID A. TARNAS, Chair



