

Honolulu, Hawaii

FEB 14 , 2025

RE: H.B. No. 807
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which
was referred H.B. No. 807 entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUMS,"

begs leave to report as follows:

The purpose of this measure is to provide condominium
associations with financing options by:

- (1) Establishing the Condominium Loan Program to provide
low-cost financing, or refinance previously obtained
loans, for maintenance or repair projects; and
- (2) Establishing the Condominium Loan Loss Reserves Program
to incentivize private lenders into providing loans at
competitive rates and terms.

Your Committee received testimony in support of this measure
from the Hawaii Green Infrastructure Authority; Hawaii Bankers
Association; and three individuals. Your Committee received
comments on this measure from the Department of Budget and Finance
and one individual.

Your Committee finds that, due to issues in the global
insurance industry and recent increases in catastrophic weather
events around the world, there have been unprecedented insurance



premium rate increases for condominium associations. Many of these condominium associations are also seeing the increased insurance premiums due to the aging buildings that make up the condominium projects and the associated repairs and maintenance issues, which are often significant. This measure provides two avenues for condominium associations to receive funding for much needed insurance and repairs.

Your Committee has amended this measure by:

- (1) Clarify that the financial institutions that may participate in the Condominium Loan Loss Reserves Program are community development financial institutions;
- (2) Amending the criteria for determining a condominium association's eligibility for the programs to be a condominium association that:
 - (A) Has received at least one letter from a financial institution declining its eligibility for a loan to address maintenance or insurance coverage issues; and
 - (B) Has obtained full replacement insurance coverage or intends to do so as a condition of any financing received; and
- (3) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 807, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 807, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,

A stylized, handwritten signature in black ink, appearing to read 'Scot Z. Matayoshi', written over a horizontal line.

SCOT Z. MATAYOSHI, Chair



HSCR 675

Bill/Resolution No.: HB 807		Committee Referral: CPC, FIN		Date: 2/11/25	
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.					
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)					
CPC Members		Ayes	Ayes (WR)	Nays	Excused
1. MATAYOSHI, Scot Z. (C)		✓			
2. CHUN, Cory M. (VC)		✓			
3. ILAGAN, Greggor		✓			
4. ICHIYAMA, Linda		✓			
5. IWAMOTO, Kim Coco		✓			
6. KONG, Sam Satoru		✓			
7. LOWEN, Nicole E.		✓			
8. MARTEN, Lisa		✓			
9. TAM, Adrian K.		✓			
10. PIERICK, Elijah		✓			
TOTAL (10)		10			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature: _____					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					