

ACT 146

H. B. 138.

A Bill for an Act Amending the Hawaiian Homes Commission Act of 1920, as Amended.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The second sentence of subsection 208(5) of the Hawaiian Homes Commission Act of 1920, as amended, is hereby amended to read as follows:

“Such interest shall not, except in pursuance of such a transfer, mortgage, or pledge to or holding for or agreement with a native Hawaiian or Hawaiians approved of by the department, or for any indebtedness due the department or for taxes, or for any other indebtedness the payment of which has been assured by the department, including loans from governmental agencies where such loans have been approved by the department, be subject to attachment, levy, or sale upon court process.”

SECTION 2. Section 208 of the Hawaiian Homes Commission Act of 1920, as amended, is hereby amended by adding a new subsection to read as follows:

“(8) The department may assure the repayment of loans to lessees from governmental agencies where such loans have been approved by the department, up to the limits prescribed in section 215; provided that the lessee has no indebtedness due the department and the department shall not make any loans to the lessee while loans from governmental agencies are outstanding; provided further that upon receipt of notice of default in the payment of such loans, the department may, upon failure of the lessee to cure the default within 60 days, cancel the lease and thereupon use its best efforts to redispose of the tract to a qualified and responsible native Hawaiian or Hawaiians as a new lessee who will assume the obligation of the outstanding debt thereby assured, and make payments to the governmental agency from available funds either for the monthly payments as they become due and pay-

able or for the amount of the debt. In no event shall the aggregate amount of the loan assured by the department exceed \$500,000.”

SECTION 3. Subsection 213(b)(3) of the Hawaiian Homes Commission Act of 1920, as amended, is hereby amended to read as follows:

“Where the dwelling is on Hawaiian home lands, anything in the Act to the contrary notwithstanding, either the department or governmental agencies, may make loans, and the loans made in connection with the purchase or erection or improvement of dwellings shall be subject to applicable provisions of the Act, and such terms and conditions as the department may, by rules and regulations not inconsistent with the provisions of this legislative amendment to such Act, promulgate; provided that this section is not intended to change the qualifications of lessees or constitute a reduction or impairment of the Hawaiian home loan fund, Hawaiian home operating fund or Hawaiian home development fund. Loans made to lessees by governmental agencies shall be approved by the department, and the department may assure the payment of such loans, provided that the department shall reserve the following rights, among others: the right of succession to the lessee’s interest and assumption of the contract of loan; right to require that written notice be given to the department immediately upon default or delinquency of the lessee; and any other rights necessary to protect the monetary and other interests of the department.”

SECTION 4. The fourth sentence of the first paragraph of section 216, Hawaiian Homes Commission Act of 1920, as amended, is amended to read as follows:

“The department shall have a first lien upon the borrower’s or lessee’s interest in any lease, growing crops, either on his tract or in any collective contract or program, livestock, machinery and equipment purchased with moneys loaned by the department, and in any dwellings or other permanent improvements on any leasehold tract, to the amount of all principal and interest due and unpaid and of all taxes and insurance and improvements paid by the department, and of all indebtedness of the borrower, the payment of which has been assured by the department, including loans from governmental agencies where such loans have been approved by the department.”

SECTION 5. Section 218 of the Hawaiian Homes Commission Act of 1920, as amended, is hereby repealed in its entirety.

SECTION 6. This Act shall take effect upon its approval.

(Approved May 29, 1967.)