

ACT 89

S. B. NO. 1410-70

A Bill for an Act Relating to Investments by the Employees' Retirement System of the State of Hawaii.

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

SECTION 1. Section 88-119(1) (D), Hawaii Revised Statutes, as amended, is amended to read as follows:

“Other obligations secured by first mortgages on unencumbered improved real estate owned in fee simple, provided that the amount of the obligation shall not at the time investment is made therein exceed 75 per cent of the value of the real estate mortgaged to secure it, except that if the obligation is for an amount of \$50,000 or less, the amount of the obligation shall not exceed 80 per cent of the real estate mortgaged to secure it. Real estate shall not be deemed to be encumbered within the meaning of this subparagraph by reason of the existence of any of the restrictions, charges or claims described in section 431-293(a).”

SECTION 2. Section 88-119(1) (E), Hawaii Revised Statutes, as amended, is amended to read as follows:

“Other obligations secured by first mortgages of leasehold interests in improved real estate, provided that (i) each such leasehold inter-

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est at such time shall have a current term extending at least two years beyond the stated maturity of the obligation it secures, and (ii) the amount of the obligation shall not at the time investment is made therein exceed 75 per cent of the value of the respective leasehold interest and improvements, except that if the obligation is for an amount of \$50,000 or less, the amount of the obligation shall not exceed 80 per cent of the value of the respective leasehold interest and improvements.”

SECTION 3. Section 88-119(2) (C), Hawaii Revised Statutes, as amended, is amended to read as follows:

“(C) Obligations issued or guaranteed by any federal home loan bank (including consolidated federal home loan bank obligations), the home owner’s loan corporation, the federal national mortgage association, or the small business administration.”

SECTION 4. This Act shall take effect upon its approval.

(Approved June 16, 1970.)