

MAR 7 - 2019

SENATE RESOLUTION

SUPPORTING THE GOVERNOR'S EFFORTS IN URGING THE BANK OF AMERICA TO RETURN TO HAWAII TO MEET WITH NA PO'E KOKUA AND THE HAWAII FAIR LENDING COALITION TO REACH A SETTLEMENT AGREEMENT RELATING TO A \$150,000,000 LOAN COMMITMENT FOR NATIVE HAWAIIANS ON HAWAIIAN HOME LANDS.

1 WHEREAS, in 1993, Na Po'e Kōkua, an organization established
2 to assist native Hawaiians with housing and related matters,
3 formed the Hawaii Fair Lending Coalition (HFLC) and began
4 researching how banks in Hawaii were treating native Hawaiians;
5 and
6

7 WHEREAS, among its findings, HFLC discovered that Bank of
8 America was conducting discriminatory lending practices in the
9 form of redlining, the practice of denying services to residents
10 of certain areas based on the racial or ethnic composition of
11 those areas, by not providing mortgages on Hawaiian homelands;
12 and
13

14 WHEREAS, in May 1994, as a result of HFLC's efforts and as
15 a condition of Bank of America's acquisition of Liberty Bank,
16 the Federal Reserve System and Office of Thrift Supervision
17 ordered Bank of America to make \$150,000,000 in Federal Housing
18 Administration section 247 (FHA-247) mortgages available on
19 Hawaiian homelands by 1998; and
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21 WHEREAS, by the 1998 deadline, Bank of America provided
22 only \$3,109,502 of the \$150,000,000 in FHA-247 mortgages ordered
23 by the Federal Reserve System; and
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25 WHEREAS, in 1998, Bank of America recommitted to meet the
26 \$150,000,000 loan commitment to native Hawaiians and to pay a
27 \$4,500,000 late fee based on the opportunity cost of its failure
28 to fulfill its required commitment; and
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30 WHEREAS, the Bank of America executive responsible for this
31 recommitment was Catherine P. Bessant, then in charge of
32 Community Development, who traveled to Hawaii with other senior
33 bank executives in August 1998 to meet with Governor Cayetano,



1 Hawaiian kupuna, and other community leaders from the HFLC at
2 Iolani Palace; and
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4 WHEREAS, in 2012, the Hawaiian Homes Commission unanimously
5 confirmed that the Bank of America commitment remained
6 unfulfilled and expressed support for HFLC's consistent and
7 ongoing efforts to hold Bank of America accountable; and
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9 WHEREAS, on April 18, 2018, Governor Ige invited Catherine
10 P. Bessant, now Chief Operations and Technology Officer of Bank
11 of America, to return to Hawaii to meet with Na Po'e Kōkua and
12 HFLC to reach a fair and final settlement of Bank of America's
13 outstanding \$150,000,000 loan commitment to the Hawaiian people
14 on their homelands; and
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16 WHEREAS, Bank of America originated \$13,092,314 in loans on
17 Hawaiian homelands from 1994 to 2012, and has made no FHA-247
18 loans since then, according to account information provided by
19 the United States Department of Housing and Urban Development
20 (HUD) on August 20, 2018, in response to a Freedom of
21 Information Act request; and
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23 WHEREAS, based upon HUD data, preliminary estimates for
24 Bank of America's late fees are approximately \$360,600,000 for
25 lost opportunities for building equity, reaping the benefits of
26 a booming housing market, and paying affordable mortgages rather
27 than skyrocketing rents over the last twenty years for 890
28 native Hawaiian families who should have received Bank of
29 America mortgages by 1998, but did not, and the families who did
30 receive loans up to thirteen years after the deadline; now,
31 therefore,
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33 BE IT RESOLVED by the Senate of the Thirtieth Legislature
34 of the State of Hawaii, Regular Session of 2019, that this body
35 supports the Governor's efforts in urging Bank of America to
36 return to Hawaii to meet with Na Po'e Kōkua and the Hawaii Fair
37 Lending Coalition to reach a settlement agreement relating to
38 Bank of America's outstanding \$150,000,000 loan commitment to
39 native Hawaiians on Hawaiian homelands, now twenty years
40 overdue; and
41



S.R. NO. 32

1 BE IT FURTHER RESOLVED that the Chief Operations and
 2 Technology Officer of Bank of America is urged to return to
 3 Hawaii to meet with HFLC to reach a fair and final settlement,
 4 as invited by Governor Ige; and
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6 BE IT FURTHER RESOLVED that in addition to providing the
 7 mortgages on Hawaiian homelands as ordered by the Federal
 8 Reserve System, Bank of America is requested to address the
 9 estimated \$360,600,000 in opportunity costs for native Hawaiians
 10 on Hawaiian homelands and a \$4,500,000 late fee for failing to
 11 fulfill its required commitment; and
 12

13 BE IT FURTHER RESOLVED that certified copies of this
 14 Resolution be transmitted to the Chairman of the Board of
 15 Governors of the Federal Reserve System; Hawaii's Congressional
 16 delegation; Governor; Chairpersons of the County Councils of the
 17 County of Kauai, County of Hawaii, County of Maui, and City and
 18 County of Honolulu; President of Na Po'e Kōkua; Chief Executive
 19 Officer of Bank of America; and Chief Operations and Technology
 20 Officer of Bank of America.
 21
 22
 23

OFFERED BY:

