
SENATE RESOLUTION

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

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

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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

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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, according to HFLC, by the 1998 deadline, Bank of
22 America provided only \$3,109,502 of the \$150,000,000 in FHA-247
23 mortgages ordered by the Federal Reserve System; and

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25 WHEREAS, the Federal Reserve also required that Bank of
26 America provide \$30,000,000 in below market financing to low-
27 income families on Kaua'i to help with the island's recovery from
28 Hurricane 'Iniki, yet according to HFLC none of this required
29 financing was provided on Kaua'i; and

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1 WHEREAS, according to HFLC, in 1998 Bank of America
2 recommitted to meet the \$150,000,000 loan commitment to native
3 Hawaiians and to pay a \$4,500,000 late fee based on the
4 opportunity cost of its failure to fulfill its required
5 commitment; and
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7 WHEREAS, according to HFLC, the Bank of America executive
8 responsible for this recommitment was Catherine P. Bessant, then
9 in charge of Community Development, who traveled to Hawaii with
10 other senior bank executives in August 1998 to meet with
11 Governor Cayetano, Hawaiian kupuna, and other community leaders
12 from the HFLC at Iolani Palace; and
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14 WHEREAS, Bank of America claims it met its commitments in
15 2007 and allegedly received formal acknowledgment from the
16 Department of Hawaiian Home Lands that the \$150,000,000
17 commitment had been met; and
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19 WHEREAS, according to HFLC, in 2012 the Hawaiian Homes
20 Commission unanimously confirmed that the Bank of America
21 commitment remained unfulfilled and expressed support for HFLC's
22 consistent and ongoing efforts to hold Bank of America
23 accountable; and
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25 WHEREAS, on April 18, 2018, Governor Ige invited Catherine
26 P. Bessant, now Chief Operations and Technology Officer of Bank
27 of America, to return to Hawaii to meet with Na Po'e Kōkua and
28 HFLC to investigate Bank of America's \$150,000,000 loan
29 commitment to the Hawaiian people on their homelands; and
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31 WHEREAS, Bank of America originated \$13,092,314 in loans on
32 Hawaiian homelands from 1994 to 2012, and has made no FHA-247
33 loans since then, according to account information provided by
34 the United States Department of Housing and Urban Development
35 (HUD) on August 20, 2018, in response to a Freedom of
36 Information Act request; and
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38 WHEREAS, according to HFLC, based upon HUD data the
39 preliminary estimates for Bank of America's late fees are
40 approximately \$360,600,000 for lost opportunities for building
41 equity, reaping the benefits of a booming housing market, and
42 paying affordable mortgages rather than skyrocketing rents over



1 the last twenty years for 890 native Hawaiian families who
2 should have received Bank of America mortgages by 1998, but did
3 not, and the families who did receive loans up to thirteen years
4 after the deadline; now, therefore,

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6 BE IT RESOLVED by the Senate of the Thirtieth Legislature
7 of the State of Hawaii, Regular Session of 2019, that this body
8 supports the Governor's efforts in investigating and urging Bank
9 of America to return to Hawaii to meet with Na Po'e Kōkua and the
10 Hawaii Fair Lending Coalition regarding Bank of America's
11 \$150,000,000 loan commitment to native Hawaiians on Hawaiian
12 homelands; and

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14 BE IT FURTHER RESOLVED that the Chief Operations and
15 Technology Officer of Bank of America is urged to return to
16 Hawaii to meet with HFLC, as invited by Governor Ige; and

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18 BE IT FURTHER RESOLVED that in addition to providing the
19 mortgages on Hawaiian homelands as ordered by the Federal
20 Reserve System, Bank of America is requested to address the
21 alleged \$360,600,000 in opportunity costs for native Hawaiians
22 on Hawaiian homelands and an alleged \$4,500,000 late fee for
23 failing to fulfill its required commitment; and

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25 BE IT FURTHER RESOLVED that certified copies of this
26 Resolution be transmitted to the Chairman and each member of the
27 Board of Governors of the Federal Reserve System; Hawaii's
28 Congressional delegation; Governor; Chairpersons of the County
29 Councils of the County of Kauai, County of Hawaii, County of
30 Maui, and City and County of Honolulu; President of Na Po'e
31 Kōkua; Chief Executive Officer of Bank of America; and Chief
32 Operations and Technology Officer of Bank of America.

