RESOLUTION NO. 209 19

A RESOLUTION SUPPORTING THE EFFORTS OF GOVERNOR DAVID Y. IGE TO URGE THE BANK OF AMERICA TO RETURN TO HAWAI‘I TO MEET WITH NĀ PO‘E KŌKUA AND THE HAWAI‘I FAIR LENDING COALITION REGARDING A \$150,000,000 LOAN COMMITMENT FOR NATIVE HAWAIIANS ON HAWAIIAN HOMELANDS.

WHEREAS, in 1993, Nā Po‘e Kōkua, an organization established to assist native Hawaiians with housing and related matters, formed the Hawai‘i Fair Lending Coalition (HFCLC) and began researching how banks in Hawai‘i were treating native Hawaiians; and

WHEREAS, among its findings, HFCLC discovered that Bank of America was conducting discriminatory lending practices in the form of redlining, the practice of denying services to residents of certain areas based on the racial or ethnic composition of those areas, by not providing mortgages on Hawaiian Home Lands; and

WHEREAS, in May 1994, as a result of HFCLC’s efforts and as a condition of Bank of America’s acquisition of Liberty Bank, the Federal Reserve System and Office of Thrift Supervision ordered Bank of America to make \$150,000,000 in Federal Housing Administration section 247 (FHA-247) mortgages available on Hawaiian Home Lands by 1998; and

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

WHEREAS, according to HFCLC, in 1998 Bank of America recommitted to meet the \$150,000,000 loan commitment to Native Hawaiians and to pay a \$4,500,000 late fee based on the opportunity cost of its failure to fulfill its required commitment; and

WHEREAS, according to HFCLC, the Bank of America executive responsible for this recommitment was Catherine P. Bessant, then in charge of Community Development, who traveled to Hawai‘i with other senior bank executives in August 1998 to meet with Governor Cayetano, Hawaiian Kupuna, and other community leaders from the HFCLC at ‘Iolani Palace; and

WHEREAS, Bank of America claims it met its commitments in 2007 and allegedly received formal acknowledgement from the Department of Hawaiian Home Lands that the \$150,000,000 commitment had been met; and

WHEREAS, according to HFCLC, in 2012 the Hawaiian Homes Commission unanimously confirmed that the Bank of America commitment remained unfulfilled and expressed support for HFCLC's consistent and ongoing efforts to hold Bank of America accountable; and

WHEREAS, on April 18, 2018, Governor Ige invited Catherine P. Bessant, now Chief Operations and Technology Officer of Bank of America, to return to Hawai'i to meet with Na Po'e Kōkua and HFCLC to investigate Bank of America's \$150,000,000 loan commitment to the Hawaiian people on their homelands; and

WHEREAS, Bank of America originated \$13,092,314 in loans on Hawaiian Home Lands from 1994 to 2012, and has made no FHA-247 loans since then, according to account information provided by the United States Department of Housing and Urban Development (HUD) on August 20, 2018, in response to a Freedom of Information Act request; and

WHEREAS, according to HFCLC, based upon HUD data the preliminary estimates for Bank of America's late fees are approximately \$360,600,000 for lost opportunities for building equity, reaping the benefits of a booming housing market, and paying affordable mortgages rather than skyrocketing rents over the last 20 years for 890 native Hawaiian families who should have received Bank of America mortgages by 1998, but did not, and the families who did receive loans up to thirteen years after the deadline; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE COUNTY OF HAWAI'I that it supports Governor David Y. Ige's efforts to urge Bank of America to return to Hawai'i to meet with Na Po'e Kōkua and the Hawai'i Fair Lending Coalition regarding Bank of America's \$150,000,000 loan commitment to native Hawaiians on Hawaiian Home Lands.

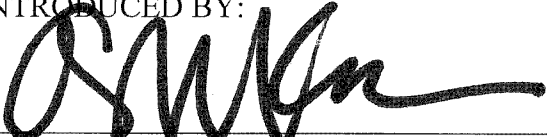
BE IT FURTHER RESOLVED that the Chief Operations and Technology Officer of the Bank of America is urged to return to Hawai'i to meet with the Hawai'i Fair Lending Coalition, as invited by Governor Ige.


BE IT FURTHER RESOLVED that in addition to providing the mortgages on Hawaiian Home Lands as ordered by the Federal Reserve System, Bank of America is requested to address Hawai'i Fair Lending Coalition's claims of \$360,600,000 in opportunity costs for Native Hawaiians on Hawaiian Home Lands and a \$4,500,000 late fee for failing to fulfill its required commitment.

BE IT FINALLY RESOLVED that the County Clerk shall transmit certified copies of this resolution to the Chairperson and each member of the Board of Governors of the Federal Reserve System; the Honorable Mazie Hirono, United States Senator; the Honorable Brian Schatz, United States Senator; the Honorable Tulsi Gabbard, United States Representative; the Honorable Ed Case, United States Representative; the Honorable David Y. Ige, Governor of the State of Hawai'i; Chief Executive Officer of Bank of America; Chief Operations and Technology Officer of Bank of America; Kaua'i County Council Chair Arryl Kaneshiro; Maui County Council Chair Kelly T. King; Honolulu City Council Chair Ikaika Anderson; and President of Na Po'e Kōkua.

Dated at Hi'lo, Hawai'i, this 9th day of July, 2019.

INTRODUCED BY:



 COUNCIL MEMBER, COUNTY OF HAWAI'I


 COUNCIL MEMBER, COUNTY OF HAWAI'I

COUNTY COUNCIL
 County of Hawai'i
 Hilo, Hawai'i

ROLL CALL VOTE

I hereby certify that the foregoing RESOLUTION was by the vote indicated to the right hereof adopted by the COUNCIL of the County of Hawai'i on July 9, 2019.

| | AYES | NOES | ABS | EX |
|-----------------------|------|------|-----|----|
| CHUNG | X | | | |
| DAVID | X | | | |
| EOFF | X | | | |
| KANEALI'I-KLEINFELDER | X | | | |
| KIERKIEWICZ | X | | | |
| LEE LOY | X | | | |
| POINDEXTER | X | | | |
| RICHARDS | X | | | |
| VILLEGAS | X | | | |
| | 9 | 0 | 0 | 0 |

ATTEST:


 COUNTY CLERK CHAIRPERSON & PRESIDING OFFICER

Reference: C-344/Waived FC
 RESOLUTION NO. 209 19