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COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
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October 24, 2018

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OFFICE OF THE
COUNTY CLERK

The Honorable Mike White
Council Chair
County of Maui
Wailuku, Hawaii 96793

Dear Chair White:

SUBJECT: SUPPORTING THE GOVERNOR'S EFFORTS TO INTERVENE BETWEEN NĀ PO`E KŌKUA, THE HAWAII FAIR LENDING COALITION, AND THE BANK OF AMERICA TO REACH A SETTLEMENT AGREEMENT RELATING TO A \$150 MILLION LOAN COMMITMENT FOR NATIVE HAWAIIANS ON HAWAIIAN HOME LANDS (PAF 18-286)

May I request the attached proposed resolution, entitled "SUPPORTING THE GOVERNOR'S EFFORTS TO INTERVENE BETWEEN NĀ PO`E KŌKUA, THE HAWAII FAIR LENDING COALITION, AND THE BANK OF AMERICA TO REACH A SETTLEMENT AGREEMENT RELATING TO A \$150 MILLION LOAN COMMITMENT FOR NATIVE HAWAIIANS ON HAWAIIAN HOME LANDS," be placed on the next Council meeting agenda.

Sincerely,

Handwritten signature of Robert Carroll in cursive script.

ROBERT CARROLL
Councilmember

paf:ldm:18-286c

Attachment

COUNTY COMMUNICATION NO. 18-395

Resolution

No. _____

SUPPORTING THE GOVERNOR'S EFFORTS TO
INTERVENE BETWEEN NĀ PO`E KŌKUA, THE
HAWAII FAIR LENDING COALITION, AND THE
BANK OF AMERICA TO REACH A SETTLEMENT
AGREEMENT RELATING TO A \$150 MILLION
LOAN COMMITMENT FOR NATIVE HAWAIIANS
ON HAWAIIAN HOME LANDS

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

WHEREAS, among its findings, HFCLC discovered that Bank of America (BofA) 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 BofA's acquisition of Liberty Bank, the Federal Reserve System ordered BofA to make \$150 million in FHA-247 mortgages available on Hawaiian Home Lands by 1998; and

WHEREAS, by the 1998 deadline, BofA provided only \$3,109,502 of the \$150 million in FHA-247 mortgages ordered by the Federal Reserve System; and

WHEREAS, in 1998, BofA recommitted to meet the \$150 million loan commitment to native Hawaiians and to pay a \$4.5 million late fee based on the opportunity cost of its failure to fulfill its required commitment; and

WHEREAS, the BofA executive responsible for this recommitment was Catherine P. Bessant, then in charge of Community Development, who traveled to Hawaii with other senior bank executives in August 1998 to meet with former Governor Cayetano, Hawaiian kupuna, and other community leaders from NPK/HFCLC at Iolani Palace; and

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WHEREAS, in 2017, the Hawaiian Homes Commission unanimously confirmed that the BofA commitment remained unfulfilled, and expressed support for HFLC's consistent and ongoing efforts to hold BofA accountable; and

WHEREAS, on April 18, 2018, Governor Ige invited Catherine P. Bessant to return to Hawaii for a meeting with NPK/HFLC "to reach a fair and final settlement of BofA's outstanding \$150 million commitment to the Hawaiian people on their homelands"; and

WHEREAS, BofA originated \$13,092,314 in loans on Hawaiian Home Lands from 1994–2012, and has made no FHA-247 loans since, 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, based upon HUD data and HFLC's estimate, lost opportunities for building equity and reaping the benefits of a booming housing market, and paying affordable mortgages rather than skyrocketing rents over the last twenty years for 890 native Hawaiian families who should have received BofA mortgages by 1998, but did not, and the families who did receive loans up to 13 years after the deadline, preliminary estimates for BofA's late fees are approximately \$360.6 million; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

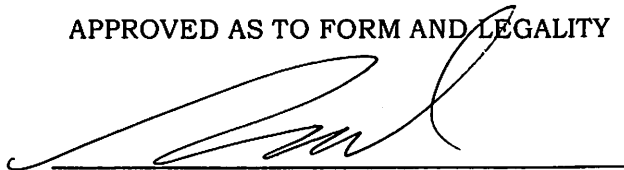
1. That it does hereby support the Governor's efforts to intervene between Nā Po'e Kōkua, the Hawaii Fair Lending Coalition, and the Bank of America to reach a settlement agreement relating to a \$150 million loan commitment for native Hawaiians on Hawaiian Home Lands, now twenty years overdue; and
2. That it urges Catherine P. Bessant to return to Hawaii to meet with NPK/HFLC to reach a fair and final settlement, as invited by Governor Ige; and
3. That in addition to providing the mortgages on Hawaiian Home Lands as ordered by the Federal Reserve System, BofA must address the estimated \$360.6 million in lost opportunity

Resolution No. _____

costs for native Hawaiians on Hawaiian Home Lands and a \$4.5 million late fee for failing to fulfill its required commitment; and

4. That certified copies of this resolution be transmitted to Brian T. Moynihan, Chief Executive Officer, Bank of America; Anne M. Finucane, Vice Chairman, Bank of America; Catherine P. Bessant, Chief Operations and Technology Officer, Bank of America; Jerome H. Powell, Chairman, Board of Governors, Federal Reserve System; the Honorable David Ige, Governor, State of Hawaii; the Honorable Brian Schatz, United States Senator; the Honorable Mazie Hirono, United States Senator; the Honorable Alan Arakawa, Mayor, County of Maui; and Kehaulani Filimoe`atu, Nā Po`e Kōkua/Hawaii Fair Lending Coalition.

APPROVED AS TO FORM AND LEGALITY



EDWARD S. KUSHI, JR.

Department of the Corporation Counsel
County of Maui
2018-1501