

## GET Committee

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**From:** Brandon Makaawaawa <bird.bran07@gmail.com>  
**Sent:** Tuesday, August 06, 2019 7:13 AM  
**To:** GET Committee  
**Subject:** Testimony regarding Bank of America's commitment to provide mortgages for Native Hawaiians on Hawaiian Homelands (GET-19)  
**Attachments:** AlohaFirst\_BoA\_Aug2019.docx

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# Aloha First

*A Hawaii Community Based 501(c)(3) Nonprofit Organization  
FIN: 99-0328810*

August 6, 2019

Aloha First presents this testimony regarding “Bank of America’s Commitment to Provide Mortgages for Native Hawaiians on Hawaiians Home Lands (GET-19)” in an effort to hold Bank of America accountable for its yet-to-be-filled commitment to the Hawaiian people.

Aloha First is a Hawai’i-based Hawaiian owned and operated 501(c)(3) non-profit organization, whose charter is to facilitate the development of a comprehensive blueprint and roadmap for Hawaiian reconciliation and restitution, and to provide support, guidance, programs, and services for the business and asset formations required to keep our initiative moving forward. Since its founding in July of 1996, the mission of Aloha First has been to stimulate, develop, and implement educational programs and services that address economic, social and cultural issues that presently face Hawaiians and Hawaiian Nationals, and to support the goals and activities of the Independent and Sovereign Nation State of Hawai’i, all through the guiding power of Aloha. One of the greatest economic and social issues that Hawaiians continue to face is access to safe and secure housing. This crisis has resulted in families across Hawai’i living in dire conditions, and a DHHL housing list that only grows longer.

As copiously described in the timeline of the “\$150 million broken promise,” an investigation by the Hawaii Fair Lending Coalition (HFLC) into Bank of America’s discriminatory lending practices on Hawaiian Home Lands resulted in the Federal Reserve order for Bank of America to fund \$150 million in FHA-247 insured mortgages on Hawaiian Homelands by 1998. The initial excitement surrounding this commitment was palpable, as Bank of America spoke grandly about their dedication to helping Hawaiians obtain safe and secure housing. However, it quickly became apparent that the Bank had no intention of fulfilling its commitment in the required timeframe and eventually, not at all.

Throughout the duration of the Bank of America promise, Aloha First has acted, monitored, and reported on the \$150 million commitment. Our leaders have worked closely with Na Po’e Kokua (NPK), the Hawaiian community development organization on Maui that has served as the fiscal sponsor and institutional home of the Hawaii Fair Lending Coalition (HFLC) since 1993. We have participated in the efforts to develop a Hawaiian owned and controlled banking operation, and have also worked together with the Hawaiian Community Assets mortgage company to help distribute Bank of America mortgage funds. In November 2002, Aloha First and Na Kupuna proposed the IMUA Financial Literacy & Community Development Program as a means to monitor and enact the commitment. In March 2003, Aloha First received half of a \$45,000 grant for the IMUA project, and carried out work within our community accordingly. Aloha First also reported to the Office of the Comptroller of Currency (OCC) about the unfulfilled commitment.

Several times in the 1990’s, Bank of America verbally and legally reaffirmed its commitment. However, a back-door deal with an unethical administration the following decade allowed Bank of America to openly and grossly evade its promise and federally mandated responsibility to the

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Hawaiian people. In an effort to assert that it had fulfilled its entire \$150 million commitment, Bank of America presented the administration at the time with a 1.5 page budget sheet containing vague and hefty line items. Without further investigation or authority to act on the matter, the administration illegally released the bank of its commitment. However, the proof of the broken promise was later made available through federal data. According to records released by the U.S. Department of Housing and Urban Development in 2012, Bank of America has eschewed funding **at least** \$92 million of the \$150 million in federally ordered loans. With inflation added to the late fee based on lost opportunity cost, Bank of America is now responsible for over \$600 million.

The time has come for Bank of America to be held accountable once and for all for their federally mandated commitment. The time has come for Bank of America to do the right thing for Hawaiians, who have long been underserved and subject to a range of serious issues, especially homelessness. We thank the Maui County Governance, Ethics and Transparency Committee for the opportunity to present testimony on this critical matter.