

Loan funds from OHA

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BY instituting a program of loans for down payments on new homes for Hawaiian homesteaders, the Office of Hawaiian Affairs is providing a valuable service for the Hawaiian community. Under the program, homesteaders will be able to borrow up to \$20,000 for down payments. The loans can be paid back over 20 years at 6½ percent interest. Homesteaders will also be able to borrow up to \$50,000 to improve existing homes at the same terms.

OHA worked out the loans in cooperation with the Department of Hawaiian Home Lands, which will guarantee repayment if borrowers default, and First Hawaiian Bank, which will process the loans at minimal cost as a public service. OHA will fund the programs with a \$20 million revolving fund.

Many Hawaiian homesteaders can make monthly payments for new homes but can't come up with the down payment. This program will eliminate that obstacle.

The Department of Hawaiian Home Lands has reached agreements with the Federal Housing Authority and the Department of Veterans Affairs guaranteeing repayment of any defaults on the down-payment loans. Under a new law sponsored by Sen. Daniel Akaka, veterans who live on Hawaiian Home Lands are now eligible for VA loans up to \$80,000.

As the agency representing Hawaiians, OHA receives a portion of the state's revenues from ceded lands. The \$20 million it is putting into this program is evidence that it is using those funds to advance the welfare of the Hawaiian people.