



P.O. Box 3590
Honolulu, HI 96811-3590
Telephone (808) 544-0500

March 20, 2009

The Honorable Rida Cabanilla, Chair
House Committee on Housing
State House of Representatives

Re: In **Strong Opposition** to **HCR 176** Urging the United States Congress to Consider Adopting New Homeowner Lending Standards for Mortgage Lending Companies that Receive Federal Aid

Hearing Date: March 25, 2009

Dear Chair Cabanilla and Committee Members:

I am Roy Amemiya, SVP and Director of Governmental Relations of Central Pacific Bank (CPB), testifying in opposition to HCR 176.

This resolution calls for the U.S. Congress to consider adopting new homeowner lending standards for mortgage lending companies that receive federal aid. An example given is to re-write all mortgages at lower rates.

It is unclear as to which specific mortgage lending companies this resolution is intended to impact. However, as is public knowledge, CPB received Federal monies as part of the Capital Purchase Program. Additionally, we have several mortgage lending companies including Central Pacific HomeLoans, one of Hawaii's largest originators of residential mortgage loans. One could surmise that CPHL and our other mortgage operations would be included within the scope of this resolution.

Given the fact that CPHL did not engage in sub-prime lending, and continues to enjoy success as one of the largest and most reputable home lenders in the state, the request that Congress adopt new lending standards, including "re-writing all mortgages at lower rates", in our opinion, is not sound public policy.

We strongly urge you to file HCR 176.

Thank you for the opportunity to submit testimony.

Sincerely,

Roy K. Amemiya, Jr.
Senior Vice President

Presentation to the House Housing Committee
March 25, 2009, at 9:00 a.m.

Testimony in **opposition to HCR 176** relating to homeowner lending standards.

TO: The Honorable Rida Cabanilla, Chair
The Honorable Pono Chong, Vice Chair
Members of the House Committee on Housing

I am Gary Fujitani testifying on behalf of the Hawaii Bankers Association (HBA), the trade association of all Hawaii FDIC insured depository financial institutions.

We oppose HCR 176 due to the numerous Federal Government programs already implemented to help borrowers stay in their homes and these standards would create a competitive disadvantage for banks that received Capital Purchase Program (CCP) funds.

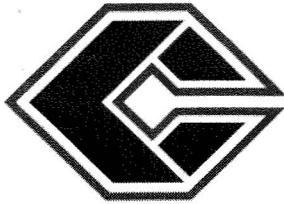
The programs that use funds to help a troubled institution are not the same as Treasury's bank Capital Purchase Program, which is for healthy banks only. Many of these healthy banks were asked or directed to take the money. The government money is a capital injection; that is, an ownership stake in healthy banks.

Most of the CCP recipients are community "main street" banks that did not make "sub-prime" or other non-traditional mortgages that lead to our current financial meltdown. Rather, these community banks continue to play a very important role in making needed loans in their local communities. These broad homeowner lending standards could have a negative affect for the local communities by increasing borrowing cost and making it more difficult to obtain needed mortgage loans.

There are ongoing efforts on the Federal level to assist homeowners either through mortgage loan refinancing at lower rates or mortgage modifications to reduce monthly payments. The most recent is President's Obama "Making Homes Affordable" program along with Treasury's mortgage loan modification program. Additionally, the larger recipients of CCP funds have voluntarily had temporary moratoriums on home foreclosures and expanded loan modification programs to assist troubled borrowers.

In summary we urge you not to pass this resolution since there are considerable Federal programs to address this issue. Further, now more than ever, we need community banks to provide mortgage loans since non-bank lending sources have dwindled.

Thank you for this opportunity to submit this testimony.



CENTRAL PACIFIC HOMELoANS

201 Merchant St.
Suite 1700
Honolulu, HI 96813
Telephone (808)
356-4000

March 23, 2009

The Honorable Rida Cabanilla, Chair
House Committee on Housing
State House of Representatives

Re: In **Strong Opposition** to **HCR 176** Urging the United States Congress to Consider Adopting New Homeowner Lending Standards for Mortgage Lending Companies that Receive Federal Aid

Hearing Date: March 25, 2009

Dear Chair Cabanilla and Committee Members:

I am Gayle Ishima, EVP and Chief Operating Officer of Central Pacific HomeLoans, Inc, testifying in opposition to HCR 176.

This resolution calls for the U.S. Congress to consider adopting new homeowner lending standards for mortgage lending companies that receive federal aid. An example given is to re-write all mortgages at lower rates.

It is unclear as to which specific mortgage lending companies this resolution is intended to impact. However, there are several mortgage lending companies in Hawaii including Central Pacific HomeLoans (CPHL), one of the largest originators of residential mortgage loans. CPHL is the subsidiary of Central Pacific Bank, who received Federal monies as part of the Capital Purchase Program. One could surmise that CPHL would be included within the scope of this resolution.

Given the fact that CPHL did not engage in sub-prime lending, and continues to enjoy success as one of the largest and most reputable home lenders in the state, the request that Congress adopt new lending standards, including "re-writing all mortgages at lower rates", in our opinion, is not sound public policy.

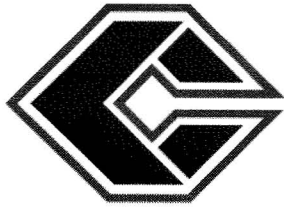
We strongly urge you to file HCR 176.

Thank you for the opportunity to submit testimony.

Sincerely,

Gayle Ishima

Senior Vice President



CENTRAL PACIFIC HOMELoANS

201 Merchant St.
Suite 1700
Honolulu, HI 96813
Telephone (808)
356-4000

March 23, 2009

The Honorable Rida Cabanilla, Chair
House Committee on Housing
State House of Representatives

Re: In **Strong Opposition** to **HCR 176** Urging the United States Congress to Consider Adopting New Homeowner Lending Standards for Mortgage Lending Companies that Receive Federal Aid

Hearing Date: March 25, 2009

Dear Chair Cabanilla and Committee Members:

I am Tom Zimmerman, President and Director of Central Pacific HomeLoans, Inc., testifying in STRONG opposition to HCR 176.

This resolution calls for the U.S. Congress to consider adopting new homeowner lending standards for mortgage lending companies that receive federal aid. An example given is to re-write all mortgages at lower rates.

It is unclear as to which specific mortgage lending companies this resolution is intended to impact. However, there are several mortgage lending companies in Hawaii that could be impacted including Central Pacific HomeLoans (CPHL), one of the largest originators of residential mortgage loans. CPHL is the subsidiary of Central Pacific Bank, who received Federal monies as part of the Capital Purchase Program. One could surmise that CPHL would be included within the scope of this resolution, which would be completely inappropriate based on CPHL's honorable history in this community.

Given the fact that CPHL did not engage in sub-prime lending, and continues to enjoy success as one of the largest and most reputable home lenders in the state, the request that Congress adopt new lending standards, including "re-writing all mortgages at lower rates", in our opinion, is not sound public policy. This request could directly harm CPHL (and others) while having no impact on any of the lenders in our market who knowingly provided "toxic" sub-prime mortgages to members of our community

We strongly urge you to file HCR 176.

Thank you for the opportunity to submit testimony.

Sincerely,

Tom Zimmerman
President