



HAWAII BANKERS ASSOCIATION

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April 21, 2009

The Honorable Rida T. R. Cabinilla, Chair
The Honorable Pono Chong, Vice Chair
Committee on Housing
Hawaii State House of Representatives

Testimony in **Support of SCR 174** (re: Fannie Mae and Freddie Mac Programs)

Dear Chair Cabinilla, Vice Chair Chong and Committee Members:

I am Roy Amemiya, speaking on behalf of the Hawaii Bankers Association (HBA) in strong support of concurrent resolution. We ask that you approve SCR 174.

Losses incurred by these federal government agencies in other geographic markets have led Fannie Mae and Freddie Mac to impose increasingly tighter underwriting standards on borrowers of condominium properties which directly affects the consumer by making it more difficult to be approved for loans and increasing the interest and fees for those consumers that are able to be approved.

This resolution lists a number of restrictions placed on condominium borrowers and requests that both Fannie Mae and Freddie Mac consider special pricing and policy exceptions given the circumstances in Hawaii's real estate market.

Thank you for the opportunity to testify.

Sincerely,

Roy K. Amemiya, Jr.



HAWAII CREDIT UNION LEAGUE

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Testimony to the House Committee on Housing
Wednesday, April 22, 2009 at 10:00 a.m.

Testimony in support of SCR 174 SD1

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

My name is Stefanie Sakamoto and I am testifying on behalf of the Hawaii Credit Union League, which represents approximately 810,000 credit union members across the state.

We are in support of SCR 174 SD1, Requesting federal programs Fannie Mae and Freddie Mac to allow special reconsideration for a pricing and policies exception to the Hawaii real estate market and for first-time homebuyers with regard to loans delivered on Hawaii condominiums.

The Hawaii Credit Union League represents the interest of all 91 credit unions domiciled in Hawaii. Credit unions are not-for-profit financial cooperatives chartered under federal or state laws for the purpose of promoting thrift among its members and creating a source of credit for provident or productive purposes.

One of those provident or productive purposes is home ownership. Current Fannie and Freddie policies are too restrictive, which causes financing of many condominium projects in Hawaii to be classified as nonconforming loans that are not readily saleable on the secondary market. That situation hurts lenders as well as purchasers of condominium units.

To reverse the trend of declining housing prices – especially in condominium projects – lenders need to be able to make more conforming loans to qualified borrowers, particularly first-time home buyers. This resolution seeks to make this a reality.

Thank you for the opportunity to testify.



Dennis Oshiro
Executive Director
Hawaii HomeOwnership Center
1259 Aala Street, #201
Honolulu, HI 96817

April 21, 2009

The Honorable Rida T. R. Cabinilla, Chair
The Honorable Pono Chong, Vice Chair
Committee on Housing
Hawaii State House of Representatives

Testimony in **Support of SCR 174** (re: Fannie Mae and Freddie Mac Programs)

Dear Chair Cabinilla, Vice Chair Chong and Committee Members:

I. Dennis Oshiro on behalf of Hawaii HomeOwnership Center, speak in support of the concurrent resolution and ask that you approve SCR 174.

Current Fannie Mae and Freddie Mac underwriting standards currently imposed upon Hawaii's borrowers for condominium properties have impacted consumers' ability to purchase or refinance to lower rates. Increased interest rates, fees, insurance requirements and private mortgage insurance criteria have made it very difficult for borrowers to get approvals.

We understand that these policies are reflective of losses incurred in other geographic markets for similar properties. SCR 174 requests pricing and policy exceptions for Hawaii in consideration for our real estate market and borrowing history.

Thank you very much.

Sincerely,

Dennis Oshiro



Mortgage Bankers Association of Hawaii
P.O. Box 4129, Honolulu, Hawaii 96812

April 21, 2009

The Honorable Rida Cabanilla, Chair and
Members of the House Committee on Housing
State Capitol, Room 329
Honolulu, Hawaii 96813

Re: SCR 174, SD 1 Requesting Federal Programs Fannie Mae and Freddie
Mac to Allow Special Reconsideration for a Pricing and Policies
Exception to the Hawaii Real Estate Market and for First-Time
Homebuyers with Regard to Loans Delivered on Hawaii Condominiums

Dear Chair Cabanilla and members of the House Committee on Housing:

I am Mark James, representing the Mortgage Bankers Association of Hawaii ("MBAH"). The MBAH is a voluntary organization of real estate lenders in Hawaii. Our membership consists of employees of banks, savings institutions, mortgage bankers, mortgage brokers, and other financial institutions. The members of the MBAH originate the vast majority of residential and commercial real estate mortgage loans in Hawaii. When, and if, the MBAH testifies on legislation, it is related only to mortgage lending.

As outlined in the text of the resolution, Fannie Mae and Freddie Mac have added additional costs to the purchase and financing of Hawaii condominium sales. Many first time buyers are faced with additional costs because of the higher proportion of non-owner occupied units in Hawaii. In addition, fewer condominiums in Hawaii can qualify under these standards thereby increasing the interest rates for these non-qualified properties. As there is a critical shortage of homes in Hawaii, it is critical that these requirements be removed to allow purchasers to qualify and obtain reasonable mortgages.

For these reasons we strongly support SCR174, SD1.

Mark James,
MBAH Board Member and Co-chair, 2009 Legislative Committee