

Honolulu, Hawaii

FEB 02 2017

RE: S.B. No. 584

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 584  
entitled:

"A BILL FOR AN ACT RELATING TO MORTGAGES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Remove the requirement that a co-mortgagor assisting a qualified resident in securing a mortgage to purchase a dwelling unit from the Hawaii Housing Finance and Development Corporation be a family member; and
- (2) Require a qualified resident who is assisted by a co-mortgagor to have an income of at least fifty percent of the amount required to qualify for a loan to purchase the dwelling unit.

Your Committee received testimony in support of this measure from four individuals. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation.


Your Committee finds that the Hawaii Housing Finance and Development Corporation is tasked with developing and financing low- and moderate-income housing projects and administering homeownership programs, including the provision of mortgages for affordable housing units to qualifying residents. Your Committee further finds that some affordable units may still be unaffordable to first-time buyers without financial assistance from family and



friends. For residents of Hawaii, "family" frequently extends to cousins, uncles, aunties, step-parents, and "hanai" family members who may not fall within the definition of "family" used by the Hawaii Housing Finance and Development Corporation, but who may still have the financial capacity and willingness to assist buyers with the down payment or qualification for a mortgage. Removing the requirement that co-mortgagers be family members and adding a requirement that buyers who are assisted by a co-mortgagor have an income of at least fifty percent of the amount required to qualify for the mortgage will allow the Hawaii Housing Finance and Development Corporation to assist more of the State's residents in purchasing affordable housing.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 584 and recommends that it pass Second Reading and be referred to your Committee on Commerce, Consumer Protection, and Health.

Respectfully submitted on  
behalf of the members of the  
Committee on Housing,



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WILL ESPERO, Chair



The Senate  
Twenty-Ninth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Housing**  
**HOU**

Bill / Resolution No.:* <i>SB 584</i>	Committee Referral: <i>HOU, CPH</i>	Date: <i>1/31/17</i>
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The Committee is reconsidering its previous decision on this measure.  
If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312      Pass, with amendments 2311      Hold 2310      Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
ESPERO, Will (C)	✓			
HARIMOTO, Breene (VC)	✓			
KAHELE, Kaiali'i				✓
KEITH-AGARAN, Gilbert S.C.	✓			
NISHIHARA, Clarence K.				✓
<b>TOTAL</b>	<i>3</i>			<i>2</i>

Recommendation:      Adopted      Not Adopted

Chair's or Designee's Signature:  
*Breene Harimoto*

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\*Only one measure per Record of Votes