

# SB584

Measure Title: RELATING TO MORTGAGES.

Report Title: Hawaii Housing Finance and Development Corporation; Co-mortgagor; Family Members; Income

Description: Removes 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. Requires a qualified resident who is assisted by a co-mortgager to have an income of at least fifty per cent of the amount required to qualify for a loan to purchase the dwelling unit.

Companion: [HB870](#)

Package: None

Current Referral: HOU, CPH

Introducer(s): ESPERO, S. Chang, Harimoto, K. Kahele, Keith-Agaran, Nishihara



**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
677 QUEEN STREET, SUITE 300  
Honolulu, Hawaii 96813  
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of  
**Craig K. Hirai**  
Hawaii Housing Finance and Development Corporation  
Before the

**SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH**

February 28, 2017 at 10:30 a.m.  
State Capitol, Room 229

In consideration of  
**S.B. 584 RELATING TO MORTGAGES.**

The HHFDC supports the intent of S.B. 584. HHFDC recognizes the tradition of hanai and is willing to work with the Committee to allow qualified residents to be assisted by bona fide co-mortgagors who will not reside in the purchased dwelling unit.

However, qualified residents should still have the necessary income to qualify for the mortgage loan, not only 50 percent, as proposed in this bill. HHFDC respectfully requests the following amendments to Section 2 of this bill:

SECTION 2. Section 201H-46, Hawaii Revised Statutes, is amended to read as follows:

"~~§~~**201H-46**~~§~~ **Co-mortgagor.** For purposes of qualifying for a mortgage loan to finance the purchase of a dwelling unit under this part, a "qualified resident" as defined in section 201H-32 may be assisted by a co-mortgagor who is a family member as defined by the corporation, and who may include extended or hanai family members, who may own other lands in fee simple or leasehold suitable for dwelling purposes, whose interest in the dwelling unit to be purchased is limited to no more than one per cent, and who certifies that the co-mortgagor does not intend to reside in the dwelling unit. The income and assets of the co-mortgagor shall not be counted in determining the eligibility of the "qualified resident" under this chapter."

Thank you for the opportunity to provide written comments on this bill.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, February 24, 2017 7:39 AM  
**To:** CPH Testimony  
**Cc:** graybip@gmail.com  
**Subject:** Submitted testimony for SB584 on Feb 28, 2017 10:30AM

**SB584**

Submitted on: 2/24/2017

Testimony for CPH on Feb 28, 2017 10:30AM in Conference Room 229

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Present at Hearing</b> |
|---------------------|---------------------|---------------------------|---------------------------|
| Margaret Graybill   | Individual          | Support                   | No                        |

Comments: I am a retired social worker from Seattle and I worked with low-income people in helping them to find housing. I found that a significant number of people had friends who were willing to financially support my clients in making steps to improve their life. To change this law will open up that option for seekers of permanent housing in Hawaii.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)