

SB 584

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:

Package: None

Current Referral: HOU, CPH

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

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
EXECUTIVE DIRECTOR

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 HOUSING

January 31, 2016 at 2:45 p.m.
State Capitol, Room 225

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, the borrower should still have the necessary income to qualify for the mortgage loan. Accordingly, 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 testify.

From: CPH Testimony
Sent: Monday, January 30, 2017 8:15 AM
To: HOU Testimony
Subject: FW: Support for SB584

-----Original Message-----

From: Peggy Graybill [mailto:graybip@fastmail.com]
Sent: Monday, January 30, 2017 7:43 AM
To: CPH Testimony <CPHTestimony@capitol.hawaii.gov>
Subject: Support for SB584

We need to reduce as many hurdles as possible for people to get affordable housing. This is one of those hurdles.

Go faster alone, go farther together
Peggy Graybill