



# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of  
**LUIS P. SALAVERIA**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Tuesday, February 28, 2017  
1:30 PM  
State Capitol, Conference Room #211

In consideration of  
**S.B. 912, S.D. 1**  
**RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.**

Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** S.B. 912, S.D. 1, that would update the Hawaii Housing Finance and Development Corporation's downpayment loan program to help make affordable homeownership more achievable for Hawaii households.

The proposed amendments would update obsolete provisions in the existing program, and expand it to incorporate a new downpayment loan loss reserve program, which would leverage State funds in a public-private partnership to obtain downpayment loan capital from financial institutions. The loan loss reserve program could increase the number of first-time homebuyers that receive downpayment assistance significantly.

Thank you for the opportunity to provide written comments in support of this bill.

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  
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IN REPLY REFER TO:

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

### SENATE COMMITTEE ON WAYS AND MEANS

February 28, 2017 at 1:30 p.m.  
State Capitol, Room 211



In consideration of  
**S.B. 912, S.D. 1**  
**RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.**


The HHFDC **strongly supports** S.B. 912, S.D. 1, an Administration bill to update and expand the HHFDC's downpayment loan program to help make affordable home more achievable for Hawaii households.

The existing down payment loan program was created over 20 years ago, but due to funding and outdated programmatic constraints, has been inactive for some time. Due to the changes to the housing market over that period, existing loan limits must be increased. The bill also allows HHFDC to procure the services of non-profit partners to originate the loans on behalf of the State instead of doing so in-house, which would make the program more efficient. It also adds a new downpayment loan loss reserve program, which would leverage State funds in a public-private partnership to obtain downpayment loan capital from financial institutions.

We respectfully request your support for this important measure. Thank you for the opportunity to provide written comments on this measure.



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February 28, 2017

**The Honorable Jill N. Tokuda, Chair**  
Senate Committee on Ways and Means  
State Capitol, Room 211  
Honolulu, Hawaii 96813

**RE: S.B. 912, S.D.1, Relating to the Downpayment Loan Assistance Program**

**HEARING: Tuesday, February 28, 2017, at 1:30 p.m.**

Aloha Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee.

I am Myoung Oh, Director of Government Affairs, submitting written comments on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 9,200 members. HAR **supports** S.B. 912, S.D.1 which expands the Downpayment Loan Program to provide greater assistance to low and moderate income first-time homebuyers.

One of the largest challenges for first-time homebuyers to own a home in Hawai'i is the downpayment. Programs to assist first-time homebuyers such as the Downpayment Loan and the Hula Mae Programs are intended to make home buying more affordable for qualified families. The expansion of the Down payment Loan Program will help to assist first time home buyers with the purchase of their home sooner which in turn supports the economic growth of our community.

Mahalo for the opportunity to submit written comments in support of this measure.

