



**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
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Honolulu, Hawaii 96813  
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IN REPLY REFER TO:

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

**HOUSE COMMITTEE ON FINANCE**

March 30, 2017 at 3:00 p.m.  
State Capitol, Room 308

In consideration of  
**S.B. 912, S.D. 2, H.D. 1**  
**RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.**

The HHFDC ***strongly supports*** S.B. 912, S.D. 2, H.D. 1, an Administration bill. S.B. 912, S.D. 2, H.D. 1 is similar to H.B. 530, H.D. 2, S.D. 1, previously heard by this Committee.

This bill updates and expands the HHFDC's downpayment loan program to help make affordable home more achievable for Hawaii households. Approximately 28 percent of households responding to a housing demand survey conducted by SMS Research for the State and county housing agencies indicated they could not afford the down payment for a home. Even small amounts of down payment assistance increase the probability of moving first-time buyers into homeownership.

The existing down payment loan program was created over 20 years ago, but due to funding and outdated programmatic constraints, has been inactive for some time.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. S.B. 912, S.D. 2, H.D. 1 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.

Thank you for the opportunity to testify.



# 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  
**HOUSE COMMITTEE ON FINANCE**



Thursday, March 30, 2017  
3:00 PM  
State Capitol, Conference Room #308


In consideration of  
**S.B. 912, S.D. 2, H.D. 1**  
**RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.**

Chair Luke, Vice Chair Cullen, and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** S.B. 912, S.D. 2, H.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.

Thank you for the opportunity to testify.



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March 30, 2017

**The Honorable Sylvia Luke, Chair**

House Committee on Finance

State Capitol, Room 308

Honolulu, Hawaii 96813

**RE: S.B. 912, S.D.2, H.D.1, Relating to the Downpayment Loan Assistance Program**

**HEARING: Thursday, March 30, 2017, at 3:00 p.m.**

Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee.

I am Myoung Oh, Director of Government Affairs, submitting written testimony 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.2, H.D.1 which updates the Downpayment Loan Program to assist low- and moderate-income households by providing greater assistance to eligible borrowers to become 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 testimony in support of this measure.



**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 28, 2017 10:04 PM  
**To:** FINTestimony  
**Cc:** yukilei.sugimura@mauicounty.us  
**Subject:** Submitted testimony for SB912 on Mar 30, 2017 15:00PM

**SB912**

Submitted on: 3/28/2017

Testimony for FIN on Mar 30, 2017 15:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Councilmember Yuki Lei Sugimura	Individual	Support	No

Comments: Chair Sylvia Luke and members of the House Finance Committee. I STRONGLY SUPPORT SB 912, SD2, HD1 Relating to the Downpayment Loan Assistance Program. Often times, young couples tell me that they work hard and are having difficulty gathering enough cash for their downpayment towards purchasing a home. This bill would provide many to have a bit of the American dream. Homeownership. Thank you for your support. Representative Kyle Yamashita: Thank you of your support too! Yuki Lei Sugimura Maui County Council Member Policy Economic Development and Agriculture Chair

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.

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**LATE**

March 30, 2017

Representative Sylvia Luke, Chair  
Representative Ty J.K. Cullen, Vice Chair  
House Committee on Finance

**Strong support of SB 912, SD2, HD1 - Relating to the Downpayment Loan Assistance Program (Expands the Downpayment Loan Program to assist low- and moderate-income households by providing greater assistance to eligible borrowers to become first-time homebuyers.)**

**FIN Hearing: Thursday, March 30, 2017, at 3:00 p.m., in Conf. Rm. 308**

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF is in **strong support of SB 912, SD2, HD1**, which re-starts and expands the Hawaii Housing Finance and Development Corporation's (HHFDC) Downpayment Loan Program to assist low-and moderate-income households by providing greater assistance to eligible borrowers, including, authorizing downpayment loans by non-profit organizations; increasing loan amounts to \$60,000; and requiring loan applicants to successfully complete a home ownership counseling program.

**LURF's Position.** HHFDC has confirmed that one of the major barriers to home ownership is the lack of availability of downpayment assistance, and that even small amounts of downpayment assistance can increase the probability of helping first-time homebuyers purchase their first home.

LURF understands that the existing downpayment loan program is over twenty years old, and due to the lack of funding and outdated programmatic constraints, it has been inactive for some time. This measure will modernize the program to assist low-and moderate-income households buy providing greater assistance to eligible borrowers to become first-time homebuyers.

LURF **strongly supports SB 912, SD2, HD1** and respectfully urges your favorable consideration. Thank you for the opportunity to present testimony regarding this matter.