



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
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 HOUSING

March 16, 2017 at 10:00 a.m.
State Capitol, Room 423

In consideration of
S.B. 912, S.D. 2

RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.

The HHFDC **strongly supports** S.B. 912, S.D. 2, an Administration bill, **with a requested amendment**. Pursuant to discussions with the Department of Commerce and Consumer Affairs, HHFDC requests an amendment to delete the Downpayment Loan Loss Reserve program from this bill, by amending Section 2 of the S.D. 2 to read as follows:

SECTION 2. Chapter 201H, Hawaii Revised Statutes, is amended by adding to part III, subpart F, **a new section** to be appropriately designated and to read as follows:

"§201H- Downpayment loan assistance program; fees.
The corporation may establish, revise, charge, and collect fees, premiums, and charges as necessary, reasonable, or convenient for its downpayment loan assistance program. The fees, premiums, and charges shall be deposited into the housing finance revolving fund established in section 201H-80."

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The existing down payment loan program was created over 20 years ago, but due to funding and outdated programmatic constraints, has been inactive for some time.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

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON HOUSING



Thursday, March 16, 2017
10:00 AM
State Capitol, Conference Room #423


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

Chair Brower, Vice Chair Nakamura, and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** S.B. 912, S.D. 2, 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 16, 2017

The Honorable Tom Brower, Chair

House Committee on Housing
State Capitol, Room 423
Honolulu, Hawaii 96813

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

HEARING: Thursday, March 16, 2017, at 10:00 a.m.

Aloha Chair Brower, Vice Chair Nakamura, 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 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 testimony in support of this measure.



From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 15, 2017 12:54 PM
To: HSGtestimony
Cc: cspellman@hawaii.rr.com
Subject: *Submitted testimony for SB912 on Mar 16, 2017 10:00AM*

SB912

Submitted on: 3/15/2017

Testimony for HSG on Mar 16, 2017 10:00AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
CSpellman	Individual	Support	No

Comments:

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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Cc: mamaupin@hotmail.com
Subject: *Submitted testimony for SB912 on Mar 16, 2017 10:00AM*

SB912

Submitted on: 3/13/2017

Testimony for HSG on Mar 16, 2017 10:00AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Margaret Maupin	Individual	Support	No

Comments:

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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