

DAVID Y. IGE  
GOVERNOR



DENISE ISERI-MATSUBARA  
INTERIM 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  
**DENISE ISERI-MATSUBARA**  
Hawaii Housing Finance and Development Corporation  
Before the

### HOUSE COMMITTEE ON HOUSING

February 4, 2020 at 9:15 a.m.  
State Capitol, Room 423

In consideration of  
**H.B. 2066**  
**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.**

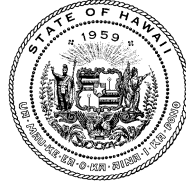
HHFDC *offers the following comments* on H.B. 2066. H.B. 2066 creates a Downpayment Guarantee Program which allows HHFDC to serve as a guarantor for downpayment loans to first-time homebuyers who qualify for a purchase money mortgage, can provide at least 5 percent of the sales price as a downpayment, and have completed a financial education program approved by HHFDC.

First-time homebuyers who can provide a 5 percent downpayment, as targeted in this bill, can already access existing forms of homebuyer assistance, such as Federal Home Administration loans, and Fannie Mae Standard 97% LTV loans that are already available statewide. We have partnered with private lenders to provide first-time homebuyers with Hula Mae mortgage loans and mortgage credit certificates.

This bill identifies the Dwelling Unit Revolving Fund as a source of funding for this program, but it is not an allowable use of the Fund. Therefore, §201H-191(a), HRS, would need to be amended to authorize its use for the Downpayment Guarantee Program. The General Fund appropriation for the reserve fund needed to guarantee downpayment loans under this program would be set aside solely for the loan guarantees. HHFDC will also require an additional 2.0 full-time equivalent positions and funding to administer the program.

Thank you for the opportunity to testify.

**DAVID Y. IGE**  
GOVERNOR  
**JOSH GREEN M.D.**  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
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DIRECTOR OF TAXATION  
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DEPUTY DIRECTOR

To: The Honorable Tom Brower, Chair;  
The Honorable Scot Z. Matayoshi, Vice Chair;  
and Members of the House Committee on Housing

From: Rona M. Suzuki, Director  
Department of Taxation

Re: **H.B. 1957, Relating to Tax Credits**  
Date: Tuesday, February 4, 2020  
Time: 9:15 A.M.  
Place: Conference Room 423, State Capitol

The Department of Taxation (Department) appreciates the intent of H.B. 1957 and provides the following comments.

H.B. 1957 amends the low-income household renters credit by increasing the adjusted gross income (AGI) threshold from \$30,000 to \$50,000 and by increasing the amount of the credit from \$50 to \$200. The bill is effective upon approval and applies to taxable years beginning after December 31, 2020.

Our "*Report on Tax Credits Claimed by Hawaii Residents for Tax Year 2017*" explains that this credit was claimed on 24,525 individual income returns, totaling \$2.5 million in credits. If each of these filers claimed this credit for \$200 instead of \$50, the total tax credit cost would be about \$10 million. Increasing the adjusted gross income threshold will further increase the expected credit claims.

The Department is able to administer the bill with its current effective date.

Thank you for the opportunity to provide comments.

**HB-2066**

Submitted on: 1/31/2020 9:12:46 AM

Testimony for HSG on 2/4/2020 9:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ruston Utu	Individual	Support	No

## Comments:

I support this bill. I would say that making a down payment is one of the reasons why we have yet to buy our first home. We definitely fall in that gap income group. The Downpayment guarantee would really help us get past this hurdle.