

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  
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Honolulu, Hawaii 96813  
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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. 2687**

**RELATING TO THE DOWNPAYMENT LOAN LOSS RESERVE PROGRAM.**

The HHFDC supports H.B. 2687, provided it does not adversely impact priorities set forth in the Executive Biennium Budget.

One of the major barriers to homeownership is the lack of availability of down payment assistance. The bill creates a new downpayment loan loss reserve program in HHFDC, which would leverage State funds in a public-private partnership to obtain downpayment loan capital from financial institutions. This could be an efficient way to help make affordable home more achievable for Hawaii households. HHFDC could administer this program with the addition of one full-time employee.

Thank you for the opportunity to testify.

**HB-2687**

Submitted on: 2/3/2020 12:14:01 PM

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>
Reina Miyamoto	Hawaii HomeOwnership Center	Support	No

Comments:

Aloha,

The Hawaii HomeOwnership Center is a non-profit organization committed to assisting first-time home buyers prepare for the purchase process through classes & individual coaching. Over half of our clientele are considered low to moderate income, increasing their challenges to attain a safe and stable home situation through homeownership in a high-priced housing market.

Having sufficient savings for down payment and closing costs is a significant hurdle for most first-time home buyers. This bill to create a loan loss reserve for lenders who make down payment assistance loans available can directly impact buyers by making an additional resource available to them. Down payment assistance loans can provide those with less than 20% down payment an option to purchase a home without using costly mortgage insurance, thereby reducing their combined monthly mortgage payment and/or increasing their ability to gain equity with each payment to their lender.

We have first-hand experience in offering this type of down payment loans through our non-profit mortgage affiliate, HHOC Mortgage and know that it is a valuable option for home buyers. This bill will help to make this needed resource available to more buyers.

Providing options for renters to become home buyers allows rental inventory to be made available which is critical in a housing crisis like we have today. Homeownership has also proven to have positive impacts on the individual homeowner and their family as well as the surrounding community ranging from improved health, children performing better in school, to increased civic participation.

Thank you for your consideration.

Sincerely,

Reina Miyamoto

Executive Director

