



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
MIKE MCCARTNEY
Director
Department of Business, Economic Development and Tourism

before the
HOUSE COMMITTEE ON HOUSING
Tuesday, February 9, 2021
10:00 a.m.
State Capitol, Conference Room 423

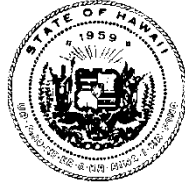
in consideration of
HB907
RELATING TO HOUSING.

Chair Nakamura, Vice Chair Hashimoto, and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) **supports** HB907, an Administration bill to repeal two inactive and obsolete programs of the Hawaii Housing Finance and Development Corporation, the Downpayment Loan Assistance Program and the Homebuyer's Club Program. These types of programs are offered by non-profit agencies.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



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

HOUSE COMMITTEE ON HOUSING

February 9, 2021 at 10:00 a.m.
State Capitol, Room 423

In consideration of
H.B. 907
RELATING TO HOUSING.

The HHFDC supports H.B. 907, which repeals the Downpayment Loan Assistance Program and the Homebuyers' Club Program. These state programs are not cost-effective or necessary since there are successful programs being operated by non-profit entities and financial institutions.

The Downpayment Loan Assistance Program was established in 1995 to provide eligible first-time homebuyers with down payment loans. However, due to lack of funding, only nine down payment loans were made since its inception. Non-profit entities offer down payment assistance loans and there are low-down payment mortgage products offered by the Federal Housing Administration, the Federal National Mortgage Association (Fannie Mae), the U.S. Department of Agriculture, and the U.S. Department of Veterans Affairs.

The Homebuyers' Club Program was originally established in 1993, before U.S. Department of Housing and Urban Development-approved nonprofit housing counseling agencies were established statewide. Nonprofit housing counseling agencies provide homeownership counseling to first-time homebuyers more cost-effectively, making the program obsolete.

Thank you for the opportunity to testify.