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**STATE OF HAWAII**  
**DEPARTMENT OF HAWAIIAN HOME LANDS**  
*Ka 'Oihana 'Āina Ho'opulapula Hawaii'i*

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TESTIMONY OF KALI WATSON, CHAIRMAN  
HAWAIIAN HOMES COMMISSION  
BEFORE THE SENATE COMMITTEE ON HAWAIIAN AFFAIRS  
HEARING ON MARCH 12, 2024 AT 1:00PM IN CR 224

**HB 2218, HD 1, RELATING TO THE HAWAIIAN HOMES COMMISSION ACT**

March 12, 2024

Aloha Chair Shimabukuro, Vice Chair Fevella, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) strongly supports this bill which would increase the loan limit for direct loans provided by the DHHL to 75% of the maximum single residence loan amount allowed in Hawaii by the United States Department of Housing and Urban Development's Federal Housing Administration, instead of 50%, as currently outlined in section 215 of the Hawaiian Homes Commission Act, 1920, as amended.

With the higher cost to construct or purchase a home, increasing the loan limit from fifty percent to seventy-five percent of the maximum single residence loan amount allowed in Hawaii by the FHA will allow beneficiaries to purchase or make improvements to their home. This bill was approved by the Hawaiian Homes Commission and included in the Governor's administrative package by request of our Department.

Thank you for your consideration of our testimony.



**HB2218 HD1**  
**RELATING TO THE HAWAIIAN HOMES COMMISSION ACT**  
Senate Committee on Hawaiian Affairs

March 12, 2024

1:00 p.m.

Conference Room 224

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The Office of Hawaiian Affairs (OHA) **SUPPORTS HB2218 HD1**, which amends the Hawaiian Homes Commission Act of 1920, as amended, to increase the loan limit for direct loans provided by the Department of Hawaiian Home Lands (DHHL) from fifty per cent to seventy-five per cent of the maximum single residence loan amount allowed in Hawai‘i by the United States Department of Housing and Urban Development’s Federal Housing Administration and takes effect on either the date of the Secretary of the Interior’s notification that congressional approval of this Act is unnecessary, or on the date of consent by the United States Congress.

The current limit on loan amounts—to 50% of the maximum single resident loan amount in Hawai‘i—is an unnecessary and unreasonable constrain on native Hawaiian beneficiaries’ ability to finance the build and purchase of homes on Hawaiian Homelands. Costs associated with buying and building homes have gone up significantly in recent years. The current loan restriction means that even if a DHHL beneficiary can qualify for a higher loan, they are unable to access such equity. The increase is a simple but important step forward for beneficiaries.

We defer to DHHL on whether or not any amendments are needed for effective implementation of this measure.

Mahalo for the opportunity to testify on this important issue. OHA respectfully requests this committee **advance HB2218 HD2**.