

HB530 HD2

Measure Title: RELATING TO HOMEBUYER ASSISTANCE.

Report Title: Downpayment Loan Assistance Program (\$)

Description: Update the Downpayment Loan Program under the Hawaii Housing Finance and Development Corporation (HHFDC). Establish a Downpayment Loan Loss Reserve Program to assist low- and moderate-income households to become first-time homebuyers. (HB530 HD2)

Companion:

Package: None

Current Referral: HOU, WAM

Introducer(s): OHNO, AQUINO, BROWER, HOLT, ICHIYAMA, KEOHOKALOLE, KONG, LOWEN, MCKELVEY, MIZUNO, NAKASHIMA, NISHIMOTO, ONISHI, OSHIRO, QUINLAN, SAIKI, TAKAYAMA, TAKUMI, San Buenaventura

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
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
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING

March 16, 2017 at 2:55 p.m.
State Capitol, Room 225

In consideration of
H.B. 530, H.D. 2
RELATING TO HOMEBUYER ASSISTANCE.

The HHFDC **strongly supports** H.B. 530, H.D. 2, **with requested amendments**. 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 H.D. 2 to read as follows:

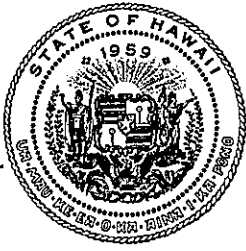
SECTION 2. Chapter 201H, Hawaii Revised Statutes, is amended by adding to part III, subpart F, a new section to be appropriately designated and to read as follows:

"§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. H.B. 530, H.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
SENATE COMMITTEE ON HOUSING

Thursday, March 16, 2017
2:55 PM
State Capitol, Conference Room #225


In consideration of
H.B. 530, H.D. 2
RELATING TO HOMEBUYER ASSISTANCE.


Chair Espero, Vice Chair Harimoto, and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** H.B. 530, H.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.



**Hawai'i
Association of
REALTORS®**

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March 16, 2017

The Honorable Will Espero, Chair
Senate Committee on Housing
State Capitol, Room 225
Honolulu, Hawaii 96813

RE: H.B. 530, H.D.2, Relating to Homebuyer Assistance

HEARING: Thursday, March 16, 2017, at 2:55 p.m.

Aloha Chair Espero, Vice Chair Harimoto, and Members of the Committee.

I am Myoung Oh, Director of Government Affairs, here to testify 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** H.B. 530, H.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 testify in support of this measure.

