

JOSH GREEN, M.D.  
GOVERNOR



DENISE ISERI-MATSUBARA  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**  
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM  
**HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION**  
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IN REPLY PLEASE REFER TO:

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

**HOUSE COMMITTEE ON HOUSING**

March 22, 2023 at 10:00 a.m.  
State Capitol, Room 312

In consideration of  
**H.C.R. 185/ H.R. 190**  
**URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
TO USE DWELLING UNIT REVOLVING FUND MONEYS TO ISSUE ZERO PERCENT  
INTEREST LOANS OR GRANTS TO BUYERS WITH INCOMES ABOVE SIXTY AND  
AT OR BELOW ONE HUNDRED FORTY PERCENT OF THE MEDIAN FAMILY  
INCOME FOR THE STATE.**

HHFDC recognizes the adverse impacts that rising interest rates and increased construction costs have on housing development and buyers' purchasing power.

However, HHFDC **opposes** S.C.R. 214/ S.R. 205.

Issuing loans to homebuyers is not an allowed use of the Dwelling Unit Revolving Fund as set forth in Section 201H-191, HRS. Amendments to Section 201H-191, HRS, and the creation of a new Housing Development Program under Part II of HRS 201-H would be necessary for this measure.

HHFDC also does not presently have the staffing capacity nor expertise to underwrite individual residential loans nor the capacity to monitor these loans, collect payments, and foreclose on defaulted loans. As the loans would likely be in second position to a primary mortgage, there is a greater risk of non-payment in the event of a default or foreclosure. Additional staffing would be necessary in both our development and fiscal branches. A new unit would likely need to be added to the corporation to implement this proposal.

Thank you for the opportunity to provide testimony.