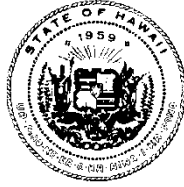


DAVID Y. IGE
GOVERNOR



DENISE ISERI-MATSUBARA
INTERIM EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

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

HOUSE COMMITTEE ON FINANCE

February 20, 2020 at 1:00 p.m.
State Capitol, Room 308

In consideration of
H.B. 2066, H.D. 1
RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

HHFDC *offers the following comments* on H.B. 2066, H.D. 1. This measure creates a Downpayment Guarantee Program which allows HHFDC to serve as a guarantor for downpayment loans to first-time homebuyers who qualify for a purchase money mortgage, can provide at least 5 percent of the sales price as a downpayment, and have completed a financial education program approved by HHFDC.

First-time homebuyers who can provide a 5 percent downpayment, as targeted in this bill, can already access existing forms of homebuyer assistance, such as Federal Home Administration loans, and Fannie Mae Standard 97% LTV loans that are already available statewide. We have partnered with private lenders to provide first-time homebuyers with Hula Mae mortgage loans and mortgage credit certificates.

This bill identifies the Dwelling Unit Revolving Fund as a source of funding for this program, but it is not an allowable use of the Fund. Therefore, §201H-191(a), HRS, would need to be amended to authorize its use for the Downpayment Guarantee Program. The General Fund appropriation for the reserve fund needed to guarantee downpayment loans under this program would be set aside solely for the loan guarantees. HHFDC will also require an additional 2.0 full-time equivalent positions and funding to administer the program.

Thank you for the opportunity to testify.

HB-2066-HD-1

Submitted on: 2/19/2020 11:21:52 AM

Testimony for FIN on 2/20/2020 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ruston Utu	Individual	Support	No

Comments:

I am in support of this bill. I would say that I am in that income group and have not yet bought my first home due to the downpayment that needs to be made. I think having this program would allow me to move forward and be hopeful in owning my first home.