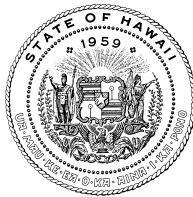


JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR



DEAN MINAKAMI  
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

#### Statement of **DEAN MINAKAMI**

Hawaii Housing Finance and Development Corporation  
Before the

#### **SENATE COMMITTEE ON HOUSING**

February 10, 2026 at 1:00 p.m.

State Capitol, Room 225

In consideration of

#### **SENATE BILL 3089**

#### **RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.**

Chair Chang, Vice Chair Hashimoto, and members of the Committee.

HHFDC **strongly supports** Senate Bill 3089, which seeks to improve the Downpayment Loan Assistance Program administered by HHFDC. HHFDC launched the Hale Kama'aina mortgage program in December 2025 to provide below market-rate financing to eligible households. The program includes an optional downpayment assistance program as there are many households that can afford monthly mortgage payments, but do not have the equity for a downpayment. Currently, statute requires that purchasers put down 5% of their own funds to be eligible for the downpayment assistance program. This is a barrier for many homebuyers given our current high housing costs.

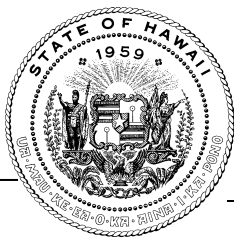
HHFDC plays a vital role in the State's strategic housing policy as it contributes to the increase of affordable housing options for local residents. This bill is critical to expanding homeownership opportunities for Hawaii's low- and moderate-income families. Hawaii's housing market remains one of the most expensive in the nation, creating significant barriers for first-time homebuyers. Downpayment costs are often the single greatest obstacle preventing families from achieving homeownership. This bill addresses this challenge by:

1. Reducing the minimum borrower contribution from 5 percent to 3 percent, making upfront costs more manageable.
2. Removing restrictive loan-to-value caps, aligning state programs with federal standards such as FHA, VA, and USDA loans.

3. Allowing HHFDC to forgive accrued interest under certain conditions, providing flexibility for families facing hardship and encouraging long-term owner occupancy.

This bill restores flexibility lost under prior legislation and modernizes the program to meet today's housing challenges. It empowers families who might otherwise be priced out of the market, supports economic stability, and strengthens communities statewide.

Thank you for the opportunity to testify.



**STATE OF HAWAII  
OFFICE OF PLANNING  
& SUSTAINABLE DEVELOPMENT**

**JOSH GREEN, M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT. GOVERNOR

**MARY ALICE EVANS**  
DIRECTOR

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813  
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Statement of  
**MARY ALICE EVANS, Director**

before the  
**SENATE COMMITTEE ON HOUSING**

Tuesday, February 10, 2026  
1:00 PM  
State Capitol, Conference Room 225

in consideration of  
**SB 3089**  
**RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.**

Chair Chang, Vice Chair Hashimoto, and Members of the Senate Committee on Housing.

The Office of Planning and Sustainable Development (OPSD) **supports** SB3089 which amends the downpayment loan program, administered by the Hawaii Housing Finance and Development Corporation (HHFDC), to align with federal requirements and enhance assistance for low- and moderate-income first-time homebuyers.

OPSD believes this aligns with the HHFDC's financing strategies to assist individuals and families with their housing needs as it will keep the downpayment assistance to a reasonable loan to value, allow for the corporation to forgive all or a portion of the accrued interest, and give HHFDC flexibility to work with nonprofits as loan originators.

Thank you for the opportunity to testify on this measure.



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**  
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKAI

**JOSH GREEN, M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT. GOVERNOR

**JAMES KUNANE TOKIOKA**  
DIRECTOR

**DANE K. WICKER**  
DEPUTY DIRECTOR

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Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
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Statement of  
**JAMES KUNANE TOKIOKA**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON COMMITTEE HOUSING**

February 10, 2026  
1:00 PM  
State Capitol, Conference Room 225

In consideration of  
**SENATE BILL NO 3089**  
**RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.**

Chair Chang, Vice Chair Hashimoto, and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** the proposed bill, which seeks to improve the Downpayment Loan Assistance Program administered by HHFDC. This bill aims to make homeownership more accessible for first-time buyers, especially low- and moderate-income households.

Key provisions include:

- Reducing the minimum borrower contribution from 5 percent to 3 percent will decrease the financial barrier of upfront costs.
- Removing restrictive loan-to-value caps, aligning state programs with federal standards such as FHA, VA, and USDA loans.
- Allowing HHFDC to forgive accrued interest under certain conditions, providing flexibility for families facing hardship and encouraging long-term owner occupancy.

Thank you for the opportunity to testify.



February 10, 2026

**The Honorable Stanley Chang, Chair**

Senate Committee on Housing

State Capitol, Conference Room 225 & Videoconference

**RE: Senate Bill 3089, Relating to Downpayment Loan Assistance Program**

**HEARING: Tuesday, February 10, 2026, at 1:00 p.m.**

Aloha Chair Chang, Vice Chair Hashimoto, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR **supports** Senate Bill 3089, which amends the Downpayment Loan Program, administered by the Hawaii Housing Finance and Development Corporation, to align with federal requirements and enhance assistance for low- and moderate-income first-time homebuyers.

High housing costs and elevated interest rates continue to make homeownership challenging for many Hawaii residents. For first-time homebuyers, saving for a down payment remains an additional and significant barrier. To help address this challenge, the Hawaii Housing Finance and Development Corporation ("HHFDC") launched the Hale Kamaaina Mortgage Program, which offers competitive, fixed-rate 30-year mortgage loans. HHFDC also offers downpayment assistance through the Hale Kamaaina Down Payment Assistance Program which eligible home buyers can qualify for a downpayment requirement as low as 5% of the purchase price through a low-interest loan program. HHFDC is repaid its equity investment, plus shared appreciation, upon resale of the unit.

As of December 2025, the median statewide single-family home price is \$1,060,000 and for condominiums it is \$648,000.<sup>1</sup> Based on the median amounts, a 5% downpayment would total \$53,000 and \$32,400 respectively. For many Hawaii residents, that amount may still be out of reach. As such, this measure would reduce the down payment to 3% which HAR believes can help more Hawaii residents achieve the dream of homeownership.

Mahalo for the opportunity to provide testimony on this measure.

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<sup>1</sup> Hawai'i REALTORS® from data provided by the MLS. (December 2025). Statewide Housing Trends.  
<https://www.hawaiiirealtors.com/housing-trends>



February 6, 2026

**Testimony in Support of S.B.3089  
Relating to the Downpayment Loan Assistance Program**

Aloha Chair Chang, Vice Chair Hashimoto, and members of the Committee,

Aloha United Way **strongly supports S.B. 3089**, which strengthens the State's Downpayment Loan Assistance Program and expands access to homeownership for low- and moderate-income households.

In Hawai'i, homeownership remains increasingly out of reach for working families. According to the ALICE (Asset Limited, Income Constrained, Employed) data, approximately 40%<sup>1</sup> percent of households in our state struggle to afford the basic cost of living. For many families, the primary barrier to homeownership is not the monthly mortgage, but the upfront downpayment.

This measure makes several practical improvements to the existing program, including reducing the required borrower contribution and aligning the program with federal requirements. These changes will help more local residents, and first-time homebuyers in particular, access the support they need to purchase a home, build long-term financial stability, and continue to live in Hawai'i.

Expanding access to homeownership is a critical strategy for:

- Retaining local workers and families,
- Building generational wealth,
- Stabilizing neighborhoods, and
- Strengthening Hawai'i's long-term economic resilience.

For many ALICE households, homeownership is the difference between ongoing financial instability and a pathway to lasting security. Programs like this help ensure that the people who live and work in Hawai'i have a fair chance to put down roots here.

Mahalo for the opportunity to testify in strong support of S.B. 3089.

Mahalo,

Michelle Bartell  
President & CEO  
Aloha United Way

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<sup>1</sup> <https://www.auw.org/about/alice-initiative/alice-reports/>

**SB-3089**

Submitted on: 2/5/2026 1:15:24 PM

Testimony for HOU on 2/10/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Comments	Written Testimony Only

Comments:

Comment to include DHHL Johnnie-Mae L. Perry

3089 SB RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.



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[Twitter.com/aarphawaii](https://twitter.com/aarphawaii) | [facebook.com/aarphawaii](https://facebook.com/aarphawaii)

**LATE**

**The Thirty-Third Legislature  
Seante Committee on Housing  
Tuesday, February 10, 2026  
Conference Room 225  
1:00 p.m.**

TO: The Honorable Stanley Chang, Chair  
FROM: Keali'i S. López, State Director  
RE: Support for S.B. 3089 Relating to the Downpayment Loan Assistance Program

Aloha Chair Chang and Members of the Committee:

My name is Keali'i López, and I serve as the State Director of AARP Hawai'i. On behalf of our 135,000 members statewide, thank you for the opportunity to testify in **support of S.B. 3089**. AARP is a nonprofit, nonpartisan, social impact organization dedicated to **empowering people fifty and older to choose how they live as they age** and access to stable, affordable housing is central to AARP's mission of ensuring residents can age with dignity and remain in their communities.

Hawai'i's persistent housing shortage and extremely high cost of living continue to push local families, particularly first-time homebuyers, out of the state. **Even small adjustments to upfront costs can determine whether a working family can purchase their first home.**

S.B. 3089 provides a practical, targeted solution by:

**1. Reducing Barriers to Homeownership**

The bill lowers the minimum downpayment requirement from **five percent to three percent**, restoring the previous standard and removing a major financial barrier for low- and moderate-income residents. This change better aligns the program with Hawai'i's **economic realities and supports families** who are otherwise priced out of homeownership.

**2. Improving Efficiency and Expanding Access**

By authorizing **lenders, mortgage originators, and qualified nonprofit organizations** to originate HHFDC downpayment loans, the bill modernizes and streamlines the process. This will **reduce delays**, expand lender participation, and shorten closing timelines—critical improvements for families competing for scarce housing inventory.



### **3. Strengthening Hawai'i's Long-Term Stability**

Homeownership contributes to intergenerational wealth-building, **reduces displacement, and supports families** who want to stay in Hawai'i. It also reinforces the stability of our workforce and strengthens local economies and small businesses.

Importantly, helping residents secure housing **supports our kūpuna** as they age, enabling them to **remain in their homes and communities**, close to family and caregiving support.

For older adults, **stable housing is the foundation of aging with dignity**. Many AARP members are caring for children, grandchildren, or aging parents; housing access for younger generations directly affects the economic, social, and emotional **stability of multigenerational households**. S.B. 3089 addresses these interconnected needs by **making homeownership more attainable** and **strengthening communities** where residents of all ages can thrive.

We **respectfully urge the Senate Committee on Housing to pass S.B. 3089**. Mahalo for your continued commitment to addressing Hawai'i's housing crisis and for considering this important measure.