

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



GOV. MSG. NO. 1316

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

July 8, 2026

The Honorable Ronald D. Kouchi
President of the Senate,
and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Nadine K. Nakamura
Speaker, and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on July 8, 2026, the following bill was signed into law:

H.B. NO. 2270, H.D. 1, S.D. 1,
C.D. 1

RELATING TO THE DOWNPAYMENT LOAN
ASSISTANCE PROGRAM.
ACT 214

Mahalo,

A handwritten signature in black ink that reads "Josh Green M.D.".

Josh Green, M.D.
Governor, State of Hawai'i

on JUL 8 2026

HOUSE OF REPRESENTATIVES
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

ACT 214
H.B. NO. 2270
H.D. 1
S.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Section 201H-161, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) The corporation may make downpayment loans, either directly or through a nonprofit organization as defined in section 454F-1, to eligible borrowers who qualify for loans under section 201H-162. The downpayment loan to any one borrower shall not exceed fifteen per cent of the purchase price or appraised value of the residential property or \$60,000, whichever is less. ~~[In no event shall the loan amount and purchase money mortgage amount exceed one hundred per cent of combined loan-to-value.]~~ The interest rate on the loans ~~[may range from one per cent to eight per cent, depending on the buyer's income.]~~ shall be established by the corporation based on federal program requirements and market conditions."

2. By amending subsections (c) and (d) to read:



1 "(c) The principal of the downpayment loan, together with
2 accrued interest, shall be due and payable upon the sale,
3 transfer, or refinancing of the property, or shall be repaid by
4 the borrower in installments as determined by the corporation;
5 provided that the corporation may provide a period in which
6 payments may be waived. The corporation may also forgive all or
7 a portion of the accrued interest, subject to terms and
8 conditions the corporation may establish. The period over which
9 the principal and interest shall be paid need not coincide with
10 the period over which the loan from the mortgage lender for the
11 balance of the purchase price must be repaid. The borrower may
12 repay the whole or any part of the unpaid balance of the
13 downpayment loan, plus accrued interest, at any time without
14 penalty.

15 (d) The corporation may secure the services of nonprofit
16 organizations, as defined in section 454F-1, as well as
17 financial institutions, mortgage lenders, or other qualified
18 loan originators, to originate the downpayment loans on behalf
19 of the State for an origination fee not in excess of the
20 prevailing loan origination fee amount, as determined by the
21 corporation."



1 SECTION 2. Section 201H-162, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) No person shall be qualified for a downpayment loan
4 unless the person:

5 (1) Is a citizen of the United States or a resident alien;

6 (2) Is at least eighteen years of age;

7 (3) Is a bona fide resident of the State;

8 (4) Will physically reside in the residential property to
9 be purchased for the term of the loan;

10 (5) Is accepted by a mortgage lender as a person to whom
11 it is willing to lend money for the purchase of the
12 residential property provided the required downpayment
13 is made;

14 (6) Provides a portion of the downpayment, which shall be
15 equal to ~~[at least five]~~ three per cent of the sales
16 price~~[+]~~ and may include any downpayment loan
17 assistance made available by the corporation under
18 this chapter; and

19 (7) Has successfully completed a homeownership counseling
20 program provided by a housing counseling agency



1 approved by the United States Department of Housing
2 and Urban Development."

3 SECTION 3. Section 201H-163, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "[+]§201H-163[+] **Restrictions on borrower.** Every loan
6 made under this subpart shall be subject to the following
7 conditions:

8 (1) The borrower shall expend no portion of the borrower's
9 downpayment loan for purposes other than to ~~make~~:

10 (A) Make a downpayment for the purchase of a
11 residential property; or

12 (B) Pay for closing costs, prepaids, and reserves
13 pursuant to the purchase of the residential
14 property for which the downpayment loan is
15 provided;

16 (2) The residential property purchased with the
17 downpayment loan and mortgaged to the State to secure
18 the repayment of the loan shall not be sold or
19 assigned without the prior approval in writing of the
20 corporation and the first mortgage lender;



1 (3) The borrower shall pay when due all taxes, liens,
2 judgments, or assessments that may be lawfully levied
3 against the residential property and all costs and
4 expenses of any foreclosure of the mortgage made to
5 the State;

6 (4) The borrower shall maintain fire and casualty
7 insurance in amounts equal to the replacement value of
8 all improvements and insurable portions of the
9 residential property with an insurance company
10 authorized to do business in the State. All proceeds
11 of that insurance shall be made payable to the first
12 mortgage lender and the corporation as their
13 respective interests may appear at the time of any
14 loss or damage. Subject to the rules of the
15 corporation, in the event of any loss or damage to the
16 improvements or property covered by the insurance, the
17 proceeds receivable by the State shall be applied
18 toward the reconstruction of the improvements or
19 property destroyed or damaged, unless otherwise
20 determined by the corporation on behalf of the State;
21 and



1 (5) The borrower shall maintain the improvements in good
2 repair.

3 All of the conditions in paragraphs (1) through (5) shall
4 be a part of any downpayment mortgage executed under this
5 subpart, regardless of whether or not they are expressly
6 incorporated in the mortgage document."

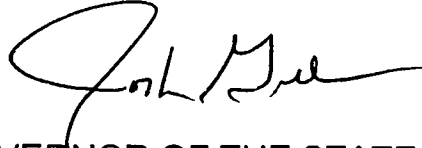
7 SECTION 4. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 5. This Act shall take effect upon its approval.



H.B. NO. 2270
H.D. 1
S.D. 1
C.D. 1

APPROVED this 8th day of July, 2026

A handwritten signature in black ink, appearing to read "Jon M. Stuenkel", written in a cursive style.

GOVERNOR OF THE STATE OF HAWAII

HB No. 2270, HD 1, SD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 6, 2026
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2026.



Nadine K. Nakamura
Speaker
House of Representatives

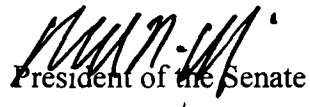


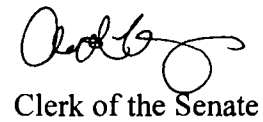
Brian L. Takeshita
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAI‘I

Date: May 6, 2026
Honolulu, Hawai‘i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate
of the Thirty-Third Legislature of the State of Hawai‘i, Regular Session of 2026.


President of the Senate


Clerk of the Senate