

STAND. COM. REP. NO. 512-26

Honolulu, Hawaii

FEB 19 , 2026

RE: H.B. No. 2270
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Housing, to which was referred H.B. No. 2270 entitled:

"A BILL FOR AN ACT RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM,"

begs leave to report as follows:

The purpose of this measure is to amend the Hawaii Housing Finance and Development Corporation Downpayment Loan Assistance Program by:

- (1) Removing the prohibition on combined loan-to-value ratios exceeding one hundred percent;
- (2) Clarifying the Corporation's authority to allow payment waivers and interest forgiveness for downpayment loans;
- (3) Additionally authorizing financial institutions, mortgage lenders, and other qualified loan originators to originate downpayment loans on behalf of the State; and
- (4) Reducing the borrower's required personal contribution toward the downpayment from five percent to three percent of the sales price, while allowing that amount



to include downpayment assistance provided by the Corporation.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Office of Planning and Sustainable Development; Hawaii Housing Finance and Development Corporation; Hawai'i Association of REALTORS; and AARP Hawai'i.

Your Committee finds that the statutory requirements of the Hawaii Housing Finance and Development Corporation's Downpayment Loan Assistance Program are overly restrictive, as many households can afford monthly mortgage payments, but do not have the equity for a downpayment. Existing law requires that purchasers put down five percent of their own funds to be eligible for the downpayment assistance program, and this creates a barrier for many homebuyers given the State's current high housing costs. This measure modernizes the program to meet existing housing challenges, empowers families who might otherwise be priced out of the market, and strengthens communities statewide.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2270, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2270, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Housing,

LAC

LUKE A. EVSLIN, Chair



