STAND. COM. REP. NO. 3209

Honolulu, Hawaii

MAR 30 2026

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

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2270, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to amend the Downpayment Loan Assistance Program by:

(1) Removing the prohibition on combined loan-to-value ratios;

(2) Clarifying the Hawaii Housing Finance and Development Corporation's authority to allow payment waivers and interest forgiveness;

(3) Authorizing financial institutions, mortgage lenders, and other loan originators to originate downpayment loans; and

(4) Reducing the borrower's required personal contribution toward the downpayment.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and

Tourism; Hawaii Housing Finance and Development Corporation; Office of Hawaiian Affairs; Office of Planning and Sustainable Development; Hawai'i Association of REALTORS; AARP Hawaii; Mortgage Bankers Association of Hawaii; and Hawaii Credit Union League.

Your Committee received comments on this measure from one individual.

Your Committee finds that the Hawaii Housing Finance and Development Corporation's Hale Kamaaina Mortgage Program (Program) provides below-market-rate mortgage financing to qualified households and is funded through the sale of tax-exempt revenue bonds. Because many families lack the upfront cash required for a downpayment loan and closing costs, the Corporation offers an optional component through the Downpayment Loan Assistance Program. However, under existing law, any downpayment assistance provided by the Corporation is subject to significant restrictions. This measure offers greater flexibility to the Corporation in administering the Downpayment Loan Assistance Program to ensure delivery of downpayment assistance to homebuyers. Through the greater flexibility provided by this measure, the Corporation will be able to effectively provide below-market-rate financing to qualified households.

Your Committee has amended this measure by:

(1) Authorizing the Hawaii Housing Finance and Development Corporation to establish interest rates for downpayment loans based on federal program requirements and market conditions;

(2) Authorizing borrowers to use a portion of a downpayment loan to pay for closing costs, prepaids, and reserves for the purchase of the residential property for which the downpayment loan is provided; and

(3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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, H.D. 1, as amended herein, and recommends that it pass

Second Reading in the form attached hereto as H.B. No. 2270, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

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

STANLEY CHANG, Chair

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:*	Committee Referral:	Date:
HB 2270, HD1	HOU, WAM	03/17/26

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended 2312 ☑ Pass, with amendments 2311 ☐ Hold 2310 ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	✓			
HASHIMOTO, Troy N. (VC)	✓			
ELEFANTE, Brandon J.C.	✓			
RHOADS, Karl	✓			
FEVELLA, Kurt				✓
TOTAL	4	0	0	1

Recommendation: ☑ Adopted ☐ Not Adopted

Chair's or Designee's Signature: [signature]

Distribution: Original — File with Committee Report; Yellow — Committee; Pink — Drafting Agency

*Only one measure per Record of Votes

Revised: 01/02/26