

**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

### **HOUSE COMMITTEE ON FINANCE**

February 27, 2026 at 2:00 p.m.

State Capitol, Room 308

In consideration of

### **HOUSE BILL 2270 HOUSE DRAFT 1**

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

Chair Todd, Vice Chair Takenouchi, and members of the Committee.

HHFDC **strongly supports** House Bill 2270 House Draft 1, 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, the statute requires that purchasers put down 5 percent 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 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.



**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

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Web site: [dbedt.hawaii.gov](http://dbedt.hawaii.gov)

Telephone: (808) 586-2355  
Fax: (808) 586-2377

Statement of  
**JAMES KUNANE TOKIOKA**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON FINANCE**

Friday, February 27, 2026  
2:00 PM  
State Capitol, Conference Room 308

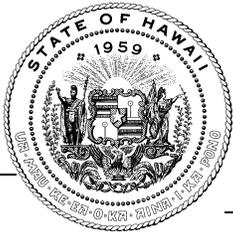
In consideration of  
**HB 2270, HD1**  
**RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM**

Chair Todd, Vice Chair Takenouchi, and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** HB2270, HD1, 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.



**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  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-2846  
Fax: (808) 587-2824  
Web: <https://planning.hawaii.gov/>

Statement of  
**MARY ALICE EVANS, Director**

before the  
**HOUSE COMMITTEE ON FINANCE**

Friday, February 27, 2026  
2:00 PM  
State Capitol, Conference Room 308

in consideration of  
**HB 2270, HD 1**  
**RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.**

Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance.

The Office of Planning and Sustainable Development (OPSD) **supports** HB 2270, HD 1, 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 bill will help individuals and families 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.

February 27, 2026

**The Honorable Chris Todd, Chair**

House Committee on Finance

State Capitol, Conference Room 308 & Videoconference

**RE: House Bill 2270, HD1, Relating to the Downpayment Loan Assistance Program**

**HEARING: Friday, February 27, 2026, at 2:00 p.m.**

Aloha Chair Todd, Vice Chair Takenouchi, 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** House Bill 2270, HD1, which amends the Downpayment Loan Assistance Program by: removing the prohibition on combined loan-to-value ratios; clarifying the Hawai'i Housing Finance and Development Corporation's authority to allow payment waivers and interest forgiveness; authorizing financial institutions, mortgage lenders and other loan originators to originate downpayment loans; and reducing the borrower's required personal contribution toward the downpayment. Effective 7/1/3000.

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 January 2026, the median statewide single-family home price is \$1,010,000 and for condominiums it is \$565,000.<sup>1</sup> Based on the median amounts, a 5% downpayment would total \$50,500 and \$28,250 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. (January 2026). Statewide Housing Trends. <https://www.hawaiirealtors.com/housing-trends>



*Mortgage Bankers Association of Hawaii*  
*P.O. Box 4129, Honolulu, Hawaii 96812*

February 25, 2026

The Honorable Chris Todd, Chair  
The Honorable Jenna Takenouchi, Vice Chair  
Members of the House Committee on Finance

Hearing Date: February 27, 2026  
Hearing Time: 2:00 pm  
Hearing Place: Hawaii State Capitol, Conference Room 308

Re: HB 2270 HD1 related to Downpayment Loan Assistance Program

I am Victor Brock, representing the Mortgage Bankers Association of Hawaii ("MBAH"). The MBAH is a voluntary organization of individuals involved in the real estate lending industry in Hawaii. Our membership consists of employees of banks, savings institutions, mortgage bankers, mortgage brokers, financial institutions, and companies whose business depends upon the ongoing health of the financial services industry of Hawaii. The members of the MBAH originate and service, or support the origination and servicing, of the vast majority of residential and commercial real estate mortgage loans in Hawaii. When, and if, the MBAH testifies on legislation or rules, it is related only to mortgage lending and servicing.

The MBAH **SUPPORTS HB2270 HD1**, as it will provide additional flexibility for homebuyers who are challenged with minimal funds for downpayment and closing costs.

Thank you for the opportunity to present this testimony.

Victor Brock  
Mortgage Bankers Association of Hawaii

**HB-2270-HD-1**

Submitted on: 2/25/2026 3:14:11 PM

Testimony for FIN on 2/27/2026 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Randall John Francisco	Individual	Support	Written Testimony Only

Comments:

Aloha. I am writing in full support of this legislation as its intention will help facilitate both borrowers and lenders a pathway towards moving forward in home ownership in Hawaii. Passage of this bill also communicates that the legislative and executive branches of government in partnership with the private sector continues to work in concert for one goal --- alleviating a major barrier in Hawaii's biggest factor to successfully live in Hawaii ---- housing, housing and, the need for more innovative housing solutions. Aloha and Mahalo Nui Loa for both your consideration and dedication to help Hawaii Keep and Be Hawaii with housing as a key ingredient for the present and future of these islands. Randall Francisco, Hanapepe, Kauai, HI.