

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

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Statement of

DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation

Before the

SENATE COMMITTEE ON HOUSING

March 17, 2026 at 1:05 p.m.

State Capitol, Room 225

In consideration of

HOUSE BILL 2270 HOUSE DRAFT 1

RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.

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

HHFDC **supports with comments** House Bill 2270 House Draft 1, which seeks to improve the Downpayment Loan Assistance Program administered by HHFDC.

In December 2025, HHFDC launched the Hale Kama'āina Mortgage Program (Program) to provide below-market-rate mortgage financing to qualified households. The Program is funded through the sale of tax-exempt revenue bonds and is self-sustaining. The Program does not rely on legislative appropriations to fund its operations or administration costs.

The Program offers an optional downpayment assistance component because HHFDC recognizes that many families can reliably afford monthly mortgage payments but lack the upfront cash required for a downpayment and loan closing costs. Current law requires buyers to contribute five percent of their own funds to qualify for downpayment assistance and limits the use of the downpayment loan to a downpayment only, creating barriers and preventing access to downpayment assistance.

Given today's high housing costs, these statutory requirements have become significant barriers for first-time and first-generation homebuyers. These barriers are underscored by the fact that loan funds have not been reserved under the Program. Feedback from local lenders confirms that these statutory requirements are the reasons that loan funds have not been reserved under the Program.

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.

To further improve the bill's effectiveness and align the Program with other Housing Finance Agency program design standards that use tax-exempt revenue bonds to fund their programs, HHFDC recommends the following amendments:

1. Amend Section 201H-161(a) as follows:
 - (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 zero per cent to eight percent, depending on the buyer's income.]~~ The interest rate on the loans shall be established by the corporation based on federal program requirements and market conditions.
2. Add a new section 3 amending section 201H-163(1), Hawaii Revised Statutes. The new section 3 would read
 - SECTION 3. Section 201H-163, Hawaii Revised Statutes, is amended by amending subsection (1) to read as follows:
 - (1) The borrower shall expend no portion of the borrower's downpayment loan for purposes other than to make a downpayment for the purchase of a residential property or to pay for closing costs, prepaids, and reserves pursuant to the purchase of the residential property for which the downpayment loan is provided;

Thank you for the opportunity to testify.



‘Ōlelo Hō‘ike ‘Aha Kau Kānāwai

**TESTIMONY IN SUPPORT OF HOUSE BILL
HB2270 HD1**

RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM

Ke Kōmike ‘Aha Kenekoa o ke Kuleana Hale Noho
(Senate Committee on Housing)
Ke Kapitala ‘o Hawai‘i
Hawai‘i State Capitol

Malaki 17th, 2026

1:05 pm

Lumi 225

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

The Office of Hawaiian Affairs (OHA) **SUPPORTS HB2270 HD1**, which strengthens Hawai‘i’s Downpayment Loan Assistance Program by removing outdated statutory barriers and improving access to sustainable homeownership for local residents.

OHA’s constitutional and statutory responsibilities include advocating for the betterment of Native Hawaiians and supporting public policies that promote housing stability, economic security, and long-term community well-being. Homeownership remains a critical pathway to wealth-building, neighborhood stability, and keeping families rooted in Hawai‘i. Native Hawaiians are disproportionately represented among cost-burdened renters and households experiencing housing instability. Many Native Hawaiian families are mortgage-ready but face challenges accumulating sufficient savings for upfront costs due to Hawai‘i’s high cost of living. By reducing these barriers without weakening underwriting standards, this measure expands access to homeownership and supports housing stability for families most impacted by displacement pressures.

This bill modernizes the Downpayment Loan Assistance Program by removing the one hundred per cent combined loan-to-value restriction that has prevented otherwise qualified borrowers from accessing assistance. It also lowers the required borrower contribution from five percent to three percent, improves repayment flexibility, and allows

qualified nonprofit organizations and lenders to originate downpayment loans on behalf of the State. These changes align the program with current lending practices while preserving important safeguards, including lender underwriting standards, owner-occupancy requirements, and HUD-approved homebuyer education.

Expanding access to homeownership opportunities is an important step toward addressing Hawai'i's broader housing shortage and helping local families remain in the communities where they live, work, and maintain cultural and family connections. As part of its own institutional commitment to expanding homeownership opportunities, OHA committed approximately **\$1.5 million last year to launch the Access to Home Ownership (AHO) program**, a deposit-backed mortgage initiative designed to reduce downpayment barriers and expand access to homeownership for Native Hawaiian families.¹ Through partnerships with private lenders, this program helps qualified 'ohana move into homes with as little as three percent cost for downpayment, demonstrating how assistance can make homeownership achievable for local families.

This bill represents a practical, market-responsive improvement to an existing housing tool that helps local families overcome the most significant barrier to homeownership downpayment costs. For these reasons, OHA supports **HB2270 HD1**.

Mahalo for the opportunity to testify.

¹ Office of Hawaiian Affairs, AHO: Access to Home Ownership Program, available at: <https://www.oha.org/aho/>



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

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Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON HOUSING

Tuesday, March 17, 2026
1:05 PM
State Capitol, Conference Room 225

HB2270, HD1
RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.

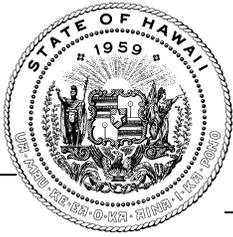
Chair Chang, Vice Chair Hashimoto, and members of the Committee:

The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** 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**

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Statement of
MARY ALICE EVANS, Director

before the
SENATE COMMITTEE ON HOUSING

Tuesday, March 17, 2026
1:05 PM
State Capitol, Conference Room 225

in consideration of
HB 2270 HD 1
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** 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.

March 17, 2026

The Honorable Stanley Chang, Chair

Senate Committee on Housing

State Capitol, Conference Room 225 & Videoconference

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

HEARING: Tuesday, March 17, 2026, at 1:05 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** 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 February 2026, the median statewide single-family home price is \$1,080,000 and for condominiums it is \$546,000.¹ Based on the median amounts, a 5% downpayment would total \$54,000 and \$27,300 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.

¹ Hawai'i REALTORS® from data provided by the MLS. (February 2026). Statewide Housing Trends. <https://www.hawaiirealtors.com/housing-trends>



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**The Thirty-Third Legislature
Senate Committee on Housing
Tuesday, March 17, 2026
Conference Room 225
1:05 p.m.**

TO: The Honorable Stanley Chang, Chair
FROM: Keali'i S. López, State Director
RE: Support for H.B. 2270 HD 1 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 strong support of H.B. 2270 HD1.**

AARP is a nonprofit, nonpartisan social impact organization dedicated to empowering people age fifty and older to choose how they live as they age. Central to that mission is **access to stable, affordable housing**, which is essential for individuals and families to remain rooted in their communities and age with dignity.

Hawai'i's ongoing housing shortage and extraordinarily high cost of living continue to push local families, particularly first-time homebuyers out of the state. For many working families, the barrier is not long-term affordability, but the **upfront costs of purchasing a home**. Even modest changes to those costs can make the difference between entering homeownership or being permanently shut out.

H.B. 2270 HD1 offers a practical, targeted response to this challenge.

First, the bill **reduces barriers to homeownership** by lowering the minimum downpayment requirement from five percent to three percent, restoring the program's previous standard. This change meaningfully lowers the initial hurdle facing low- and moderate-income buyers and better reflects Hawai'i's economic realities. For families struggling to save while paying high rents, this adjustment can be decisive.



H.B. 2270 HD 1 Relating to the Downpayment Loan Assistance Program

March 17, 2026

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Second, the bill **improves efficiency and expands access** by authorizing lenders, mortgage originators, and qualified nonprofit organizations to originate HHFDC downpayment loans. This modernization will reduce processing delays, broaden lender participation, and shorten closing timelines critical improvements in a highly competitive housing market with limited inventory.

Third, and most importantly, **H.B. 2270 HD1 strengthens Hawai'i's long-term stability.** Homeownership supports intergenerational wealth-building, reduces displacement, and helps families remain in the communities they call home. It also stabilizes our workforce and strengthens local economies.

From AARP's perspective, this bill directly supports our kūpuna. Stable housing enables older adults to age safely and independently, close to family, caregivers, and community support. Many AARP members are part of multigenerational households caring for children, grandchildren, or aging parents. When younger generations can access homeownership, it enhances the economic and emotional stability of the entire family.

By making homeownership more attainable, **H.B. 2270 HD1 helps ensure that residents of all ages can continue to live, work, and age in Hawai'i.**

For these reasons, AARP **respectfully urges the Committee on Housing to pass H.B. 2270 HD1.**

Mahalo for your leadership and continued commitment to addressing Hawai'i's housing crisis and thank you for the opportunity to share our strong support.





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

February 25, 2026

The Honorable Stanley Chang, Chair
The Honorable Troy Hashimoto, Vice Chair
Members of the Senate Committee on Housing

Hearing Date: March 17, 2026
Hearing Time: 1:05 pm
Hearing Place: Hawaii State Capitol, Conference Room 225

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



Testimony to the Senate Committee on Housing
Tuesday, March 17, 2026, 1:05 pm
Conference Room 225

LATE

To: The Honorable Stanley Chang, Chair
The Honorable Troy Hashimoto, Vice-Chair
Members of the Committee

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League (HCUL), the local trade association for 45 Hawaii credit unions, representing over 879,000 credit union members across the state.

HCUL offers the following testimony in support of HB 2270, Relating to the Downpayment Loan Assistance Program. This bill amends the Downpayment Loan Assistance Program by: removing the prohibition on combined loan-to-value ratios; clarifying the Hawaii 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.

This bill increases flexibility in financing, allows more lenders like credit unions to help originate downpayment assistance loans, and lowers the upfront cash required from borrowers—addressing one of the biggest barriers to homeownership in Hawaii. By streamlining the program and expanding access, HB2270 will help more working families achieve stable, long-term housing and build financial security.

Thank you for the opportunity to provide comments on this important issue.

HB-2270-HD-1

Submitted on: 3/12/2026 5:37:27 PM

Testimony for HOU on 3/17/2026 1:05:00 PM

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

Comments:

I, Johnnie-Mae L Perry, comment including DHHL ?

2270 HB RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.