



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

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

February 13, 2026
9:00 AM
State Capitol, Conference Room 430

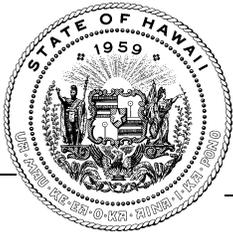
In consideration of
HB 2270
RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM

Chair Evslin, Vice Chair Miyake, and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** HB2270, 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
HOUSE COMMITTEE ON HOUSING

Friday, February 13, 2026
9:00 AM
State Capitol, Conference Room 430

in consideration of
HB 2270
RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.

Chair Evslin, Vice Chair Miyake, and Members of the House Committee on Housing.

The Office of Planning and Sustainable Development (OPSD) **supports** HB2270 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.

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

HOUSE COMMITTEE ON HOUSING

February 13, 2026 at 9:00 a.m.

State Capitol, Room 430

In consideration of

HOUSE BILL 2270

RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.

Chair Evslin, Vice Chair Miyake, and members of the Committee.

HHFDC **strongly supports** House Bill 2270, 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.

February 13, 2026

The Honorable Luke A. Evslin, Chair

House Committee on Housing

State Capitol, Conference Room 430 & Videoconference

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

HEARING: Friday, February 13, 2026, at 9:00 a.m.

Aloha Chair Evslin, Vice Chair Miyake, 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, which amends the Downpayment Loan Program, administered by the Hawaii Housing Finance and Development Corporation, to align with federal requirements and enhance assistance for low- and moderate-income first-time homebuyers.

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 December 2025, the median statewide single-family home price is \$1,060,000 and for condominiums it is \$648,000.¹ Based on the median amounts, a 5% downpayment would total \$53,000 and \$32,400 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. (December 2025). Statewide Housing Trends.
<https://www.hawaiirealtors.com/housing-trends>



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**The Thirty-Third Legislature
House Committee on Housing
Tuesday, February 13, 2026
Conference Room 430
9:00 a.m.**

TO: The Honorable Luke A. Evslin, Chair
FROM: Keali'i S. López, State Director
RE: Support for H.B. 2270 Relating to the Downpayment Loan Assistance Program

Aloha Chair Evslin 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 **support of H.B. 2270**. AARP is a nonprofit, nonpartisan, social impact organization dedicated to **empowering people fifty and older to choose how they live as they age** and access to stable, affordable housing is central to AARP's mission of ensuring residents can age with dignity and remain in their communities.

Hawai'i's persistent housing shortage and extremely high cost of living continue to push local families, particularly first-time homebuyers, out of the state. **Even small adjustments to upfront costs can determine whether a working family can purchase their first home.**

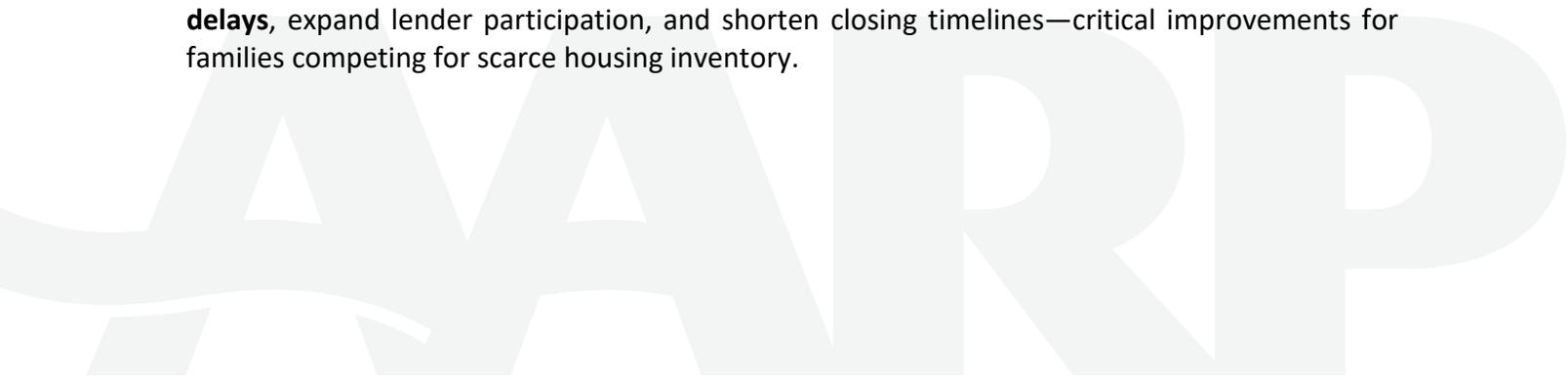
H.B. 2270 provides a practical, targeted solution by:

1. Reducing Barriers to Homeownership

The bill lowers the minimum downpayment requirement from **five percent to three percent**, restoring the previous standard and removing a major financial barrier for low- and moderate-income residents. This change better aligns the program with Hawai'i's **economic realities and supports families** who are otherwise priced out of homeownership.

2. Improving Efficiency and Expanding Access

By authorizing **lenders, mortgage originators, and qualified nonprofit organizations** to originate HHFDC downpayment loans, the bill modernizes and streamlines the process. This will **reduce delays**, expand lender participation, and shorten closing timelines—critical improvements for families competing for scarce housing inventory.



3. Strengthening Hawai‘i’s Long-Term Stability

Homeownership contributes to intergenerational wealth-building, **reduces displacement, and supports families** who want to stay in Hawai‘i. It also reinforces the stability of our workforce and strengthens local economies and small businesses.

Importantly, helping residents secure housing **supports our kūpuna** as they age, enabling them to **remain in their homes and communities**, close to family and caregiving support.

For older adults, **stable housing is the foundation of aging with dignity**. Many AARP members are caring for children, grandchildren, or aging parents; housing access for younger generations directly affects the economic, social, and emotional **stability of multigenerational households**. H.B. 2270 addresses these interconnected needs by **making homeownership more attainable and strengthening communities** where residents of all ages can thrive.

We **respectfully urge the House Committee on Housing to pass H.B. 2270**. Mahalo for your continued commitment to addressing Hawai‘i’s housing crisis and for considering this important measure.