



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKA'I

**BUSINESS DEVELOPMENT AND SUPPORT DIVISION**

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Statement of  
**DENNIS T. LING**  
Administrator

Business Development and Support Division  
Department of Business, Economic Development, and Tourism  
before the

**SENATE COMMITTEE ON  
ECONOMIC DEVELOPMENT AND TOURISM**

Tuesday, March 17, 2026  
1:00 PM  
State Capitol, Conference Room 308

In consideration of  
**HB2583, HD1**  
**RELATING TO ECONOMIC DEVELOPMENT.**

Chair DeCoite, Vice Chair Wakai and members of the Committee. The Business Development and Support Division (BDSD) of the Department of Business, Economic Development and Tourism (DBEDT) offers the following comments on **HB2583, HD1** which would appropriate funds and establish the Hawai'i Micro-Lending Credit Enhancement Program within DBEDT. This measure provides loan loss reserves or other credit enhancement that absorbs first losses on qualified micro-loans made by participating lenders to Hawai'i small businesses. It also allows borrower fees and state matching contributions to capitalize lender-held loan loss reserve accounts.

BDSD agrees that access to financing is vital for Hawaii's small businesses and essential to the growth and diversification of the state's economy – particularly for entrepreneurs who may not qualify for convention lending.

BDSD notes that an existing program within the Department advances a similar policy objective. Pursuant to Chapter 210D, Hawaii Revised Statutes (HRS), the Community-Based Economic Development (CBED) Program is established to foster

community-based enterprises, increase access to capital and support economic diversification, self-reliance and employment opportunities. CBED advances this goal through its loan program by addressing the gap in conventional lending by providing financial assistance to qualified businesses that are unable to obtain financing through traditional means. CBED loans, ranging from \$25,000 to \$125,000, are made to qualified Hawaii entrepreneurs focused on expanding their agricultural, manufacturing and wholesale businesses. A key eligibility requirement for loan recipients is that the borrowers must demonstrate that they were unable to obtain a loan from a financial institution. By serving these borrowers, CBED increases access to capital, strengthening the overall financing ecosystem for small businesses across the state. As of the end of 2025, the CBED loan program portfolio totaled \$1.54M loans across 18 local businesses, with no history of defaults.

As this committee considers this measure, BDS D notes that coordinating the Micro-Lending Credit Enhancement Program initiative with CBED and expanding Chapter 210D, HRS to incorporate the actions of this program would be helpful in ensuring efficiency and alignment with existing state financing tools and small business support objectives.

An initial investment of \$300,000 would represent a prudent pilot-investment.

Thank you for the opportunity to testify.

**Testimony to the Senate Committee on Economic Development and Tourism  
Senator Lynn DeCoite, Chair  
Senator Glenn Wakai, Vice Chair**

**Tuesday, March 17, 2026, at 1:00PM  
Conference Room 229 & Videoconference**

**RE: HB2583 HD1 Relating to Economic Development**

Aloha e Chair DeCoite, Vice Chair Wakai, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports House Bill 2583 House Draft 1 (HB2583 HD1), which establishes the Hawaii Micro-Lending Credit Enhancement Program within the Department of Business, Economic Development & Tourism.

HB2583 HD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Small Business. This bill takes a sensible approach to increasing access to capital by establishing credit enhancement mechanisms such as loan loss reserves that allow local lenders to take on less risk when extending micro-loans to small businesses. By sharing risk with the lenders, the state increases capital lending activity within the state without providing any direct lending subsidies to banks. With small business struggling to access lending locally, they are compelled to access capital from bank outside of the state that are willing to take that risk. The impact being that when revenue is generated by a small business that receives out of state money, that repayment value leaves Hawaii's economy. Where it cannot generate returns for local banks and be used to support local lending. Further, if our small companies seek capital outside of the state, there introduces risk that non-local banks purchase a controlling stake in our local businesses. This leaves decision making for key stakeholders in the state's economy in the hands of financial institutions that do not retain the same community interest as our local banks.

At best, failing to provide better access to capital for our local businesses means allowing loan repayments to leave the state. At worst, it means offering controlling stake to lenders who are not rooted within this community. Furthermore, these small companies might do not find a bank willing to lend the capital they need. In which case these businesses risk closure. For these reasons, the Chamber believes that derisking local investment for local banks is a sensible investment that mitigates capital leaving the state and stimulates growth and development for our local businesses.

We respectfully ask to pass House Bill 2583 House Draft 1. Thank you for the opportunity to testify.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.



DATE: March 16, 2026

TO: Senator Lynn DeCoite  
Chair, Committee on Economic Development & Tourism

FROM: Mihoko Ito / Tiffany Yajima

RE: **HB2583, HD1 - Relating to Economic Development**  
**Hearing Date: Tuesday, March 17, 2026 at 1:00 p.m.**  
**Conference Room: 229**

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Dear Chair DeCoite, Vice Chair Wakai, and Members of the Committee:

On behalf of Hawaii Bankers Association, thank you for the opportunity to submit **comments** on HB2583 HD1, which establishes the Hawai'i Micro-Lending Credit Enhancement Program within the Department of Business, Economic Development, and Tourism to expand micro-lending capacity by providing state funded loan loss reserves or other credit enhancement that absorbs first losses on qualified micro-loans made by participating lenders to Hawai'i small businesses. The bill also allows borrower fees and state matching contributions to capitalize lender-held loan loss reserve accounts and establishes the Hawai'i Micro-Lending Credit Enhancement Special Fund.

From the banking industry's perspective, improving access to small-dollar capital for emerging and underserved businesses is an important goal, and we appreciate the Legislature's efforts to expand financing tools available to local entrepreneurs. Many early-stage and very small businesses in Hawaii struggle to access traditional financing because loan sizes are small relative to underwriting costs, and borrowers may lack sufficient credit history or collateral. Credit enhancement programs that provide loan loss reserves or other first-loss protection can help address this challenge by allowing lenders to responsibly extend micro-loans that might otherwise fall outside conventional credit parameters.

While we support the objective of expanding access to micro-capital, we would also encourage the Committee consider coordinating this new program with the State's existing micro-lending initiatives, including the Community-Based Economic Development Program (CBED). This program already supports community-based micro-enterprise lending, and aligning HB2583 HD1 with those efforts could help avoid duplication while maximizing the use of state resources.

Thank you for the opportunity to submit this testimony.



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March 17, 2026

HEARING BEFORE THE  
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

**TESTIMONY ON HB 2583, HD1**  
RELATING TO ECONOMIC DEVELOPMENT

Conference Room 229 & Videoconference  
1:00 PM

Aloha Chair DeCoite, Vice-Chair Wakai, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate, and advance the social, economic, and educational interests of our diverse agricultural community.

**The Hawai'i Farm Bureau supports HB 2583, HD1**, which establishes the Hawai'i Micro-Lending Credit Enhancement Program within the Department of Business, Economic Development, and Tourism.

Access to affordable, right-sized capital remains one of the most significant barriers facing small farms and agricultural value-added businesses across our state. Many agricultural operations, particularly beginning farmers, diversified farms, sole proprietors, and neighbor island producers, do not require large commercial loans, but instead need smaller-dollar financing for equipment, irrigation systems, cold storage, fencing, working capital, and other operational improvements.

Unfortunately, smaller microloans are often more difficult to secure due to underwriting risk and limited local lending capacity. A state-supported loan-loss reserve or credit enhancement mechanism can responsibly share risk with lenders and encourage increased participation in smaller-dollar lending without imposing mandates or replacing private capital.

HB 2583, HD1 offers a market-based, voluntary approach that strengthens Hawai'i's local lending ecosystem while leveraging private investment. By improving access to microloans, this measure can help support farm viability, encourage new agricultural enterprises, and strengthen rural economic development statewide.

Improved access to capital is essential to growing local food production and supporting small businesses that form the backbone of Hawai'i's agricultural economy.

Thank you for the opportunity to provide testimony.



TESTIMONY OF DAVE ERDMAN  
INTERIM PRESIDENT & CEO  
RETAIL MERCHANTS OF HAWAI'I

**IN SUPPORT OF HB 2583 HD1**

Committee on Economic Development and Tourism  
Senator Lynn DeCoite, Chair  
Senator Glenn Wakai, Vice Chair

March 17, 2026  
1:00 PM Conference Room 229 & Videoconference

Aloha Chair DeCoite, Vice Chair Wakai, and Members of the Committee:

My name is Dave Erdman, and I serve as Interim President and CEO of Retail Merchants of Hawai'i (RMH), a statewide nonprofit trade association representing retailers, shopping centers, and allied businesses across Hawai'i.

**Retail Merchants of Hawai'i supports HB 2583 HD1**, which establishes the Hawai'i Micro-Lending Credit Enhancement Program within the Department of Business, Economic Development and Tourism.

Access to appropriately sized financing remains a challenge for many locally owned retailers and small businesses. Many small businesses do not require large commercial loans but instead depend on smaller amounts of capital for inventory purchases, equipment upgrades, leasehold improvements, and working capital. These types of smaller loans can be difficult to obtain even for otherwise viable businesses, particularly in Hawai'i's high-cost operating environment where many businesses operate on thin margins.

HB 2583 HD1 creates a practical framework to encourage more local lending by sharing risk through loan loss reserves and other credit enhancement tools. This approach can help expand lending opportunities while maintaining prudent underwriting standards and voluntary participation by lenders.

Improving access to micro-lending can help support business startups, neighborhood retailers, and small employers across the state, including on neighbor islands where financing options may be more limited. Expanding local lending capacity also helps keep financial activity circulating within Hawai'i's economy rather than flowing primarily through out-of-state lenders.

The program framework outlined in the measure reflects approaches successfully implemented in other states that use loan loss reserve structures to leverage private lending capital while maintaining responsible lending practices. Programs such as these can help expand access to smaller-dollar loans while preserving market-based participation by lenders.

This measure also aligns with the small business and economic development priorities identified in the Chamber of Commerce Hawai'i 2030 Blueprint, which emphasizes the importance of improving access to capital for local entrepreneurs and small businesses.

For these reasons, **Retail Merchants of Hawai'i supports HB 2583 HD1.**

Thank you for the opportunity to testify.



# MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT & TOURISM  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 229  
TUESDAY, MARCH 17, 2026 AT 1:00 P.M.**

To The Honorable Senator Lynn DeCoite, Chair  
The Honorable Senator Glenn Wakai, Vice Chair  
Members of the Committee on Economic Development & Tourism

## **SUPPORT HB2583 HD1 RELATING TO ECONOMIC DEVELOPMENT**

Economic growth and diversification are among the top priorities of the Maui Chamber of Commerce and we support HB2583 is of significant interest because it proposes targeted measures to expand access to microlending for small businesses, which are essential drivers of job creation, innovation, and local resilience.

The establishment of the Hawai'i Micro-Lending Credit Enhancement Program and its accompanying special fund is an important tool for fostering a robust, diversified economy. By providing state-backed loan loss reserves and credit enhancements, the bill directly addresses a key barrier faced by small businesses, which is limited access to affordable credit due to perceived lending risks. This approach leverages public resources to encourage private lending, amplifying the impact of state funds and supporting entrepreneurship across a range of industries, including those critical to economic diversification such as technology, creative sectors, and value-added manufacturing.

We also appreciate that the bill allows for both borrower fees and state matching contributions to capitalize loan loss reserve accounts. This structure promotes shared responsibility and sustainability, ensuring that the program can adapt to varying economic conditions without placing undue burden on any single stakeholder. To maximize the program's positive impact, we encourage implementation that prioritizes outreach to underserved communities and industries with high potential for growth and diversification. We also recommend ongoing stakeholder engagement, including businesses and chambers of commerce statewide to identify and address operational challenges as the program is rolled out.

Sincerely,

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



# Hawai'i Island Chamber of Commerce

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## **Testimony to the Senate Committee on Economic Development & Tourism**

**Senator Lynn DeCoite, Chair  
Senator Glenn Wakai, Vice Chair**

**Tuesday, March 17, 2026 at 1:00 PM**

**LATE**

### **RE: HB2583 HD1 Relating to Economic Development - SUPPORT**

Aloha e Chair DeCoite, Vice Chair Wakai, and Members of the Committee:

On behalf of the Hawai'i Island Chamber of Commerce, representing more than 350 businesses and individual members primarily on the east side of Hawai'i Island, I write in support of House Bill 2583 House Draft 1, which establishes the Hawai'i Micro-Lending Credit Enhancement Program within the Hawaii Department of Business, Economic Development, and Tourism.

Access to capital remains one of the most significant barriers facing Hawai'i's small businesses. Many entrepreneurs, particularly in retail, food service, creative, cultural, and visitor-related sectors, require smaller loans for inventory, equipment, leasehold improvements, or working capital. These modest loans are often difficult to obtain through traditional lending channels, especially in Hawai'i's high-cost business environment.

HB2583 HD1 would expand micro-lending capacity by establishing a credit enhancement program that helps participating lenders manage risk through loan-loss reserves. By leveraging state funds alongside private and federal capital, the program can help unlock smaller loans that enable local entrepreneurs to start businesses, grow operations, and create jobs.

Improving access to micro-financing supports local ownership, strengthens small business formation, and contributes to a more diverse and resilient economy across Hawai'i, including on neighbor islands where financing options may be limited.

For these reasons, we respectfully urge the Committee to **pass HB2583 HD1**. Thank you for the opportunity to testify.

Respectfully submitted,

Carla Kuo  
Executive Officer  
Hawai'i Island Chamber of Commerce

**HB-2583-HD-1**

Submitted on: 3/16/2026 6:02:13 AM

Testimony for EDT on 3/17/2026 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

STRONG SUPPORT!!! MAHALO!