



**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
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IN REPLY REFER TO:

Statement of  
**Craig K. Hirai**  
Hawaii Housing Finance and Development Corporation  
Before the

**HOUSE COMMITTEE ON FINANCE**

February 28, 2017 at 3:00 p.m.  
State Capitol, Room 308



In consideration of  
**H.B. 530, H.D. 1**  
**RELATING TO HOMEBUYER ASSISTANCE.**


The HHFDC **strongly supports** H.B. 530, H.D. 1, which updates and expands the HHFDC's downpayment loan program to help make affordable home more achievable for Hawaii households. Approximately 28 percent of households responding to a housing demand survey conducted by SMS Research for the State and county housing agencies indicated they could not afford the down payment for a home. Even small amounts of down payment assistance increase the probability of moving first-time buyers into homeownership.

The existing down payment loan program was created over 20 years ago, but due to funding and outdated programmatic constraints, has been inactive for some time. Due to the changes to the housing market over that period, existing loan limits must be increased. H.B. 530, H.D. 1, allows HHFDC to procure the services of non-profit partners to originate the loans on behalf of the State instead of doing so in-house, which would make the program more efficient. It also adds a new downpayment loan loss reserve program, which would leverage State funds in a public-private partnership to obtain downpayment loan capital from financial institutions.

Thank you for the opportunity to testify.



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February 28, 2017

**The Honorable Sylvia Luke, Chair**

House Committee on Finance  
State Capitol, Room 308  
Honolulu, Hawaii 96813

**RE: H.B. 530, H.D.1, Relating to Homebuyer Assistance**

**HEARING: Tuesday, February 28, 2017, at 3:00 p.m.**

Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee.

I am Myoung Oh, Director of Government Affairs, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 9,200 members. HAR **supports** H.B. 530, H.D.1 which expands the Downpayment Loan Program to provide greater assistance to low and moderate income first-time homebuyers.

One of the largest challenges for first-time homebuyers to own a home in Hawai'i is the downpayment. Programs to assist first-time homebuyers such as the Downpayment Loan and the Hula Mae Programs are intended to make home buying more affordable for qualified families. The expansion of the Down payment Loan Program will help to assist first time home buyers with the purchase of their home sooner which in turn supports the economic growth of our community.

Mahalo for the opportunity to testify in support of this measure.

