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IN REPLY REFER TO:

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

**HOUSE COMMITTEE ON HOUSING**

February 14, 2017 at 9:00 a.m.  
State Capitol, Room 423

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

The HHFDC **opposes** H.B. 530. While we appreciate the intent of the measure, we believe that H.B. 1046, which revises the HHFDC's existing downpayment assistance program in Part III, Subpart F of Chapter 201H, HRS, is preferable. The Administration bill updates outdated underwriting provisions and creates a new downpayment loan loss reserve program which leverages State funds in a public-private partnership to obtain downpayment loan capital from financial institutions.

H.B. 530 is problematic because it amends the Hula Mae Single Family program, which allows bond proceeds to fund mortgage loans which may include downpayment assistance. Separating the downpayment from the mortgage loan eliminates our ability to secure the loan and, therefore, the ability to repay the revenue bonds.

Thank you for the opportunity to testify.