

Honolulu, Hawaii

April 28, 2017

RE: H.B. No. 530
H.D. 2
S.D. 2
C.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 530, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HOMEBUYER ASSISTANCE,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to modernize the Downpayment Loan Program under the Hawaii Housing Finance and Development Corporation (HHFDC).

Specifically, this measure:

- (1) Changes the name of the Downpayment Loan Program to the Downpayment Loan Assistance Program (Program);
- (2) Authorizes HHFDC to establish, revise, charge, and collect fees, premiums, and charges for the Program;



- (3) Changes the maximum amount of downpayment loans available to borrowers and the chargeable interest rate on loans under the Program;
- (4) Changes the downpayment amount a borrower must provide to qualify for a downpayment loan under the Program;
- (5) Authorizes HHFDC to secure the services of nonprofit organizations to originate the downpayment loans under the Program; and
- (6) Requires borrowers to successfully complete a homeownership counseling program provided by a United States Department of Housing and Urban Development-approved housing counseling agency.

Your Committee on Conference recognizes that besides financial and economic benefits to communities, homeownership also brings substantial societal benefits. Updating and expanding HHFDC's Program will help make homeownership more affordable and achievable for households in the State.

Your Committee on Conference has amended this measure by:

- (1) Specifying loan and eligibility terms as follows:
 - (A) Setting the maximum loan amount at the lesser of 15 percent of the purchase price or appraised value of the property or \$60,000;
 - (B) Providing that the loan amount and purchase money mortgage amount shall not exceed 100 percent of combined loan-to-value;
 - (C) Setting chargeable interest rates at one percent to eight percent; and
 - (D) Requiring borrowers to provide a downpayment amount equal to at least five percent of the sales price;
- (2) Changing its effective date to July 1, 2017; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 530, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 530, H.D. 2, S.D. 2, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



WILL ESPERO
Chair



TOM BROWER
Co-Chair



BRICKWOOD GALUTERIA
Co-Chair



NADINE K. NAKAMURA
Co-Chair



