

H.B. NO. 907

A BILL FOR AN ACT

RELATING TO HOUSING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 201H, part III, subpart F, Hawaii
2 Revised Statutes, is repealed.

3 SECTION 2. Chapter 201H, part III, subpart G, Hawaii
4 Revised Statutes, is repealed.

5 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: _____



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BY REQUEST

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JAN 25 2021

H.B. NO. 907

Report Title:

Housing; Downpayment Loan Assistance Program; Homebuyers' Club

Description:

Repeals the Hawaii Housing Finance and Development Corporation's Downpayment Loan Assistance Program and Homebuyers' Club Program.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO HOUSING.

PURPOSE: Repeal the Downpayment Loan Assistance Program and the Homebuyers' Club Program.

MEANS: Repeal chapter 201H, part III, subparts F and G, Hawaii Revised Statutes.

JUSTIFICATION: The Downpayment Loan Assistance Program and the Homebuyers' Club Program are not cost-effective, no longer necessary, and therefore should be repealed as a cost-saving measure.

The Downpayment Loan Assistance Program was established in 1995 to provide eligible first-time homebuyers with down payment loans. However, due to lack of funding, has only ever made nine down payment loans since its inception. More recently, the Hawaii Housing Finance and Development Corporation has alternative forms of assistance for first-time homebuyers that are more cost-effective.

The Homebuyers' Club Program was originally established in 1993, before U.S. Department of Housing and Urban Development-approved nonprofit housing counseling agencies were established statewide. Nonprofit housing counseling agencies provide homeownership counseling to first-time homebuyers more cost-effectively, making the program obsolete.

Impact on the public: None.

Impact on the department and other agencies:
None.

GENERAL FUND: None.

OTHER FUNDS: Minimal.

PPBS PROGRAM
DESIGNATION: BED 160

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Upon approval.