



Rating Action: Moody's Ratings assigns Aaa to Hawaii HFDC - Sgle Fam. Mtge. Pur. Rev. Bds 2025 Series A (Non-AMT); outlook stable

08 Oct 2025

New York, October 08, 2025 -- Moody's Ratings (Moody's) has assigned a Aaa rating in connection with the proposed Hawaii Housing Finance and Development Corporation's (HHFDC) approximately \$30 million Hale Kama'aina Single Family Mortgage Purchase Revenue Bonds (SF MPRB), 2025 Series A (Non-AMT). We also affirm the existing Aaa rating on approximately \$2.6 million of outstanding bonds issued under the HHFDC's SF MPRB program. The outlook on the ratings is stable.

RATINGS RATIONALE

The Aaa rating reflects that the SF MPRB's financial position will remain strong due to its favorable portfolio characteristics, strong financial performance, and significant overcollateralization, which provides a buffer to absorb moderate additional leverage. As of June 30, 2024, the program's asset-to-debt ratio (PADR) was 13.23x and margin was 74%. With \$30 million of bonds expected to be issued in 2025, these financial metrics will decrease but still remain strong. The program's strong credit strength is further supported by the SF MPRB loan portfolio, which consists solely of mortgage-backed securities (MBS) with all program first lien loans going forward expected to be securitized by either Federal National Mortgage Association (Fannie Mae; Aa1 stable), Federal Home Loan Mortgage Corporation (Freddie Mac; Aa1 stable) or Government National Mortgage Association (Ginnie Mae).

RATING OUTLOOK

The outlook is stable, supported by the program's very strong financial position, including significant overcollateralization and strong margins.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- A sustained decrease in PADR below 1.06x, either due to significant issuing under the program or the transfer of substantial assets out of the program by the HHFDC in combination with a significant decline in margins
- Rating downgrade of Fannie Mae, Freddie Mac and/or the US government

PROFILE

The Single Family Mortgage Purchase Revenue Bonds program was created by the Hawaii Housing Finance and Development Corporation to finance single family housing loans for low and moderate income persons and families in the state of Hawaii. The program supports HHFDC's broader mission to expand access to affordable homeownership for Hawaii residents.

METHODOLOGY

The principal methodology used in these ratings was US Housing Finance Agency Single-Family Housing published in October 2024 and available at <https://ratings.moody.com/rmc-documents/430701>. Alternatively, please see the Rating Methodologies page on <https://ratings.moody.com> for a copy of this methodology.

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For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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