

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM

Amendments to Chapter 15-315 Hawaii Administrative
Rules

_____, 2013

SUMMARY

1. §15-315-2 is amended.
2. §15-315-21 is amended.
3. §15-315-24 is amended.

§15-315-2 Definitions. (a) Whenever used in these rules, unless the context otherwise requires:

"Annual gross household income" means an eligible borrower's gross monthly income multiplied by twelve.

"Gross monthly income" is the sum of monthly gross pay, any additional income from overtime pay, part-time employment, bonuses, commissions, dividends, interest, royalties, pensions, Department of Veterans' Affairs (VA) compensation, net rental income, etc.; and other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income from trusts, and income received from business activities or investments). Information with respect to gross monthly income may be obtained from available loan documents executed during the four month period ending on the date of the closing of the mortgage, provided that any gross monthly income not included on the loan documents must be included by the issuer in determining gross monthly income.

"Board" means the board of directors of the corporation.

"Certified credit rate" or "credit rate" means the rate specified by the corporation on the MCC. The credit rate applicable to the MCC program is twenty per cent.

"Corporation" means the Hawaii housing finance and development corporation, a public body and a body corporate and politic of the State of Hawaii.

"Executive director" means the executive director of the corporation or the executive director's designee.

"Eligible borrower" means a person who is eligible to be a holder of an MCC.

"Federal MCC program" means the mortgage credit certificate program which was established pursuant to the IRC, including section 25 thereof, and the regulations promulgated thereunder.

"HRS" means the Hawaii Revised Statutes.

"IRC" means the Internal Revenue Code of the Internal Revenue Service, and the corresponding regulations promulgated thereunder.

"IRS" means the Internal Revenue Service.

"MCC" means a mortgage credit certificate which is issued under the program.

"Mortgage lender" means a business enterprise authorized to do business in the State of Hawaii which has as one of its principal purposes, the origination or servicing of loans or both. Mortgage origination or servicing or both must customarily be part of the mortgage lender's regular, usual, and normal course of business. Organizations that originate or service such loans occasionally, or in special circumstances do not fall within this definition.

"Mortgage lender participation agreement" means a written contract between the corporation and mortgage lender which establish the terms by which mortgage lender will participate in the program.

"Program" means each and every qualified mortgage credit certificate program of the corporation which the corporation elects to authorize in accordance with the requirements of the federal MCC program.

"Rules" means these rules.

"State" means the State of Hawaii.

(b) The definitions of other terms used in these rules shall have the meaning ascribed to such terms under the IRC, including sections 25 and 103A thereof, for the federal MCC program, and the same are hereby incorporated by reference. [Eff 12/4/10;
am] (Auth: HRS §201H-16) (Imp: HRS
§201H-16)

§15-315-21 Election not to [~~issued~~] issue
qualified mortgage bonds. To establish a program, the
corporation shall take action to elect not to issue an
amount of qualified mortgage revenue bonds that the
corporation might otherwise issue under section 103A
of the IRC and the regulations thereunder during each
calendar year and in lieu thereof to issue MCCs to
eligible borrowers in accordance with the requirements
of the federal MCC program. The corporation shall
follow the requirements of the federal MCC program in
making such election. [Eff 12/4/10; am]
(Auth: HRS §201H-16) (Imp: HRS §201H-16)

§15-315-24 Charges. (a) Subject to the requirements of the federal MCC program, the corporation hereby establishes [a] the following schedule of fees. ~~[which applications for MCCs, mortgage lenders, and developers will be required to pay to participate in the program.]~~

(b) Fees to be paid by the eligible borrower are as follows:

- (1) Upon final approval of their MCC package, the eligible borrower shall pay a fee of up to \$300 to the corporation and a fee of up to \$100 to the participating mortgage lender.
- (2) Upon final approval of a request for reissuance of an MCC, the eligible borrower shall pay a fee of up to \$200 to the corporation and a fee of up to \$100 to the participating mortgage lender.
- (3) Upon making a request for a replacement MCC, the eligible borrower shall pay a fee of \$25 to the corporation.

(c) Fees to be paid by the mortgage lender to the corporation are as follows:

- (1) Upon election to participate in the program, the mortgage lender shall pay a fee of \$250 per year to the corporation.
- (2) Upon submission of an application for corporation review, the mortgage lender shall pay a fee of \$25 per application to the corporation.
- (3) Upon final approval of a request for an extension of up to sixty calendar days, the mortgage lender shall pay a fee of \$100 to the corporation.

[Eff 12/4/10; am] (Auth: HRS §201H-16) (Imp: HRS §201H-16)

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Amendments to chapter 15-315, Hawaii
Administrative Rules, on the Summary Page dated
_____, were adopted on _____, following
public hearing held on _____, after public
notice was given in the Honolulu Star-Advertiser, The
Garden Island, The Maui News, West Hawaii Today and
The Hawaii Tribune-Herald on _____.

These amendments shall take effect ten days after
filing with the Office of the Lieutenant Governor.

RALPH MESICK, Chairperson
Hawaii Housing Finance and
Development Corporation

APPROVED AS TO FORM:

Deputy Attorney General

APPROVED:

NEIL ABERCROMBIE
Governor
State of Hawaii

Dated: _____

Filed