

Buyback Program – Use, Sale & Transfer Restriction

FAQs

(Frequently Asked Questions)

Question (Q): What is the Buyback restriction?

Answer (A): It is the requirement that all owners on title of the property must occupy and **use** the property purchased as their principal residence and that the **sale and transfer** of the property is restricted during the period that the program is in effect until the restriction expires. This restriction gives HHFDC the first option to purchase the property in the event of a sale or transfer during the restricted period.

Q: When does the Buyback Program restriction end?

A: The restriction automatically terminates at the end of 10 years after the recording date.

Q: Can I transfer ownership of the property with a Buyback restriction?

A: If the owner wishes to transfer title to the property, HHFDC shall have the first option to purchase the property. HHFDC will determine the repurchase price of the property as follows:

$$\begin{aligned} & \text{Owner's Original Base Purchase Price} \\ + & \text{ Allowable escrow fees paid by owner at original purchase} \\ + & \text{ Cost of capital improvements added by owner} \\ + & \text{ Simple interest of 1\% per year on the original sales price \& capital improvement costs} \\ = & \text{ HHFDC's Repurchase Price} \end{aligned}$$

Permitted transfer of title to family members who meet all HHFDC income and eligibility requirements must be approved by HHFDC.

Q: Can I refinance my mortgage loan during the Buyback restriction period?

A: Yes. Owners may refinance their existing mortgage loan however the refinanced amount is limited depending on the intent and type of the refinanced; and is subject to HHFDC consent.

Owners are advised to inform their intended lender of the Buyback Program in advance and instruct the lender to send a written request for guidelines to HHFDC at the following address listed below:

HHFDC
677 Queen Street, Suite 300
Honolulu, Hawaii 96813
ATTN: RESS

When submitting written requests, please identify the project name and unit no., owner(s) name and property address. Also include a brief explanation of the intent of what you are planning to do such as selling the property or transferring ownership.

Owners are advised that HHFDC require ample time for review and further processing of all written requests.

For more detailed information, please refer to the exhibits attached to your property deed or call HHFDC's Real Estate Services Section at (808) 587-0511. If calling from the neighbor islands, call toll-free:

*Kauai, 274-3141 ext. 70511
Maui, 984-2400 ext. 70511
Hawaii, 974-4000 ext. 70511*