

STATEOFHAWAII

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
("HHFDC")

INFORMATION PACKET

FOR THE

HHFDC AFFORDABLE RESALE PROGRAM

SELLER: HHFDC

ONLINE APPLICATIONS AVAILABLE
AT

[HTTP://DBEDT.HAWAII.GOV/HHFDC/AFFORDABLE-RESALE-PROGRAM/](http://dbedt.hawaii.gov/hhfdc/affordable-resale-program/)

MARCH 11, 2022 ~ APRIL 11, 2022
(4:00 PM)

The information included in the Application and Information Packets are not offers to sell any unit in the Program, but are provided for purposes of determining an applicant's eligibility to purchase a unit under the HHFDC Affordable Resale Program. Any information about the projects, including prices, design and availability are preliminary and subject to change.

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IMPORTANT REMINDER

APPLICATION DEADLINE: 4:00 PM on April 11, 2022

THE PROJECT APPLICATION MUST BE COMPLETED AND SUBMITTED WITH ALL APPLICABLE FORMS AND DOCUMENTS TO YOUR HHFDC-ASSIGNED ELECTRONIC SHARED FOLDER USING YOUR ACCESS CODE. APPLICATIONS RECEIVED BY MAIL, FAX OR AFTER THE APPLICATION DEADLINE WILL BE AUTOMATICALLY DISAPPROVED.

IMPORTANT MESSAGE – READ CAREFULLY

This is the **Project Information Packet** for the HHFDC Affordable Resale Program (the, Program”)

The **Project Information Packet** (is considered a part of the Application Packet) **contains important and general information**, such as HHFDC’s requirements for purchasing an affordable unit and overview of the HHFDC Affordable Resale Program (the, “Program”); the property Fact Sheet; Commonly Used Terms, such as “Eligible Purchaser” and “ Income”; and copies of supplemental forms, if required, such as the Co-Applicant Application and Verification of Employment forms. It is recommended you **read through the information carefully** to understand and determine if you meet HHFDC’s requirements to purchase and also to ensure submitting a “Complete Application Packet¹” to the HHFDC by upload using your HHFDC-issued access code.

Also included is information on the public drawing, or lottery, and steps for closing the transaction. Further details specific to each process will be provided prior to HHFDC starting each process. *Please ensure current contact information to receive timely information.*

The Hawaii Housing Finance and Development Corporation (HHFDC) has repurchased units subject to and in accordance with Chapter 201H-47, Hawaii Revised Statutes (HRS), related Hawaii Administrative Rules, and HHFDC Policies, as each may be amended from time to time; and intends to resell such unit(s), according to HHFDC's Affordable Resale Program.

If you have any questions regarding the information contained herein, send an email with your questions to HHFDC.RESS@hawaii.gov. *HHFDC’s office remains closed to the public due to COVID-19.*

HHFDC-OWNED PROPERTY FACT SHEETS

RYCROFT TERRACE APARTMENT CONDOMINIUM

A Hawaii Community Development Authority (HCDA), FEE SIMPLE, CONDOMINIUM re-development project, repurchased by the HHFDC as HCDA’s buyback designee.

No. of Bedrooms: 1

No. of Baths: 1

No. of Parking 1, uncovered, assigned

Total Sq. Ft. 520 sf

Year Built: 1963;
Redevelopment in 2014

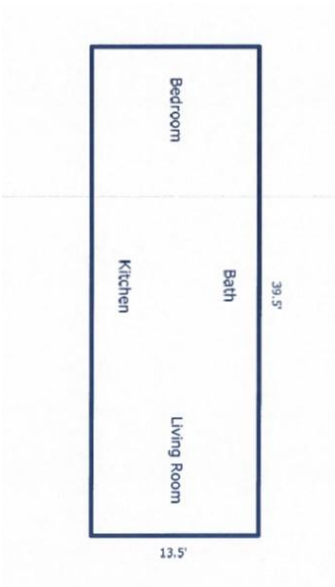
Description:

Partly furnished unit includes refrigerator/freezer, electric range/oven, garbage disposal, air conditioning unit in the bedroom, ceiling fan in the living room, mirror closet door, tile floors, secure entry/parking, intercom, pool, community room, two (2) elevators, community laundry facility.

Property Address: 1550 Rycroft St,
Honolulu HI 96814

Sales Price: See attached Sample Financing Worksheet for additional information, such as estimated maintenance fees, association dues, if applicable, and other related loan costs, as may be applicable. Information subject to change without notice.

Floor Plan (*for illustration purposes only; not to scale*)



HOLOMUA CONDOMINIUM

A HHFDC sponsored FEE SIMPLE, condominium developed in partnership with KRC Partners LLC.

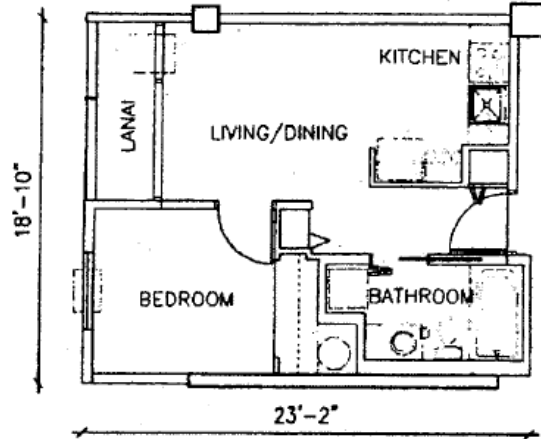
No. of Bedrooms: 1
 No. of Baths: 1
 No. of Parking: 1, assigned in parking garage
 Approx. Living Area: 354 sq. ft.
 See Floor Plan below
 Year Built 2013
 Property Address: 1315 Kalakaua Ave, Honolulu HI 96826
 Sales Price Range: See attached Sample Financing Worksheet for additional information, such as estimated maintenance fees, association dues, if applicable, and other related loan costs, as may be applicable. Information subject to change without notice.

Description:

Partly furnished unit includes refrigerator/freezer, dishwasher, range/oven, hood & fan, air conditioners, smoke detector, ceiling fan, disposal, washer/dryer.

Property sold "as-is".

Floor Plan (*for illustration purposes only; not to scale*)



FLOOR PLAN—UNIT 802
 NOT TO SCALE

FOLLOWING UNITS HAVE SAME FLOOR PLAN :
 902,1002,1102,1202,1402,1502,1602,1702,1802,1902
 2002,2102,2202,2302,2402

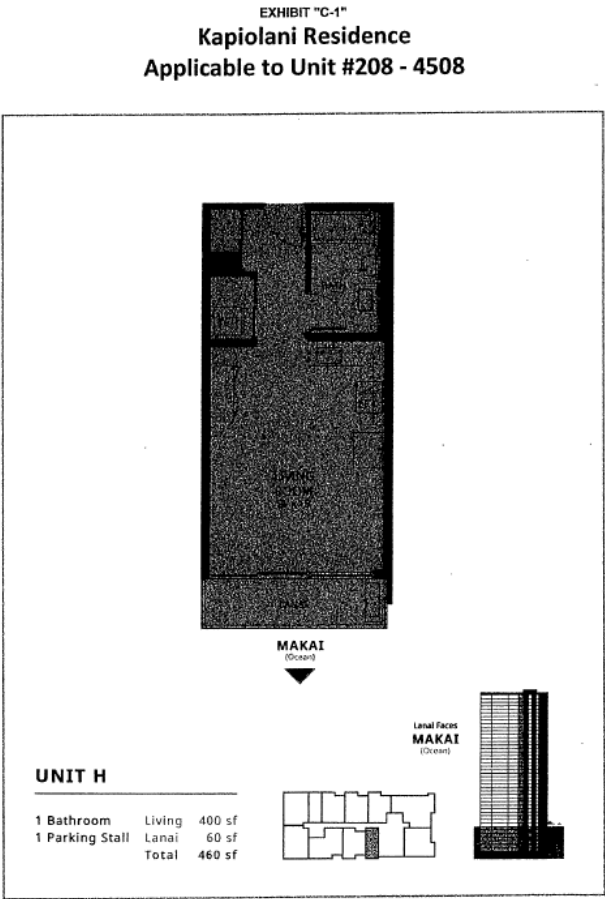
UNIT AREA TABULATION		
UNIT	APPROXIMATE UNIT AREA (SQ.FT.)	APPROXIMATE LANAI AREA (SQ.FT.)
02	354	32

KAPIOLANI RESIDENCE CONDOMINIUM

A HHFDC sponsored FEE SIMPLE, condominium development be developer, Samkoo Pacific LLC.

No. of Bedrooms:	Studio	Description:
No. of Baths:	1	Partly furnished unit includes refrigerator/freezer, range/oven, microwave hood, air conditioner, smoke detector, disposal, washer/dryer and lanai.
No. of Parking	1 assigned, covered	
Approx. Living Area:	400 sq. ft. See Floor Plan below	
Year Built	2018	
Property Address:	1631 Kapiolani Blvd, Honolulu HI 96814	Property sold “as-is”.
Sales Price:	See attached Sample Financing Worksheet for additional information, such as estimated maintenance fees, association dues, if applicable, and other related loan costs, as may be applicable. Information subject to change without notice.	

Floor Plan (for illustration purposes only; not to scale)



***Eligible Purchasers will be informed of the final sales prices prior to unit selection.
Prices listed below are estimates only and subject to change without notice.**

HHFDC Resale

Financing Option Worksheet

Affordable Units

	Studio	Studio	Studio	1-Bedroom	1-Bedroom	1-Bedroom
	Kapiolani Residence	Kapiolani Residence	Kapiolani Residence	Rycroft Terrace	Holomua	Holomua
30-Year Fixed	<u>5% Down</u>	<u>5% Down</u>	<u>5% Down</u>	<u>5% Down</u>	<u>5% Down</u>	<u>5% Down</u>
Purchase Price	\$350,000	\$400,000	\$425,000	\$325,000	\$325,000	\$400,000
Loan Amount:	\$332,500	\$380,000	\$403,750	\$308,750	\$308,750	\$380,000
Down Payment Loan to Value	95%	95%	95%	95%	95%	95%
Interest Rate *	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Points	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
APR	5.650%	5.642%	5.654%	5.666%	5.641%	5.642%
Estimated Closing Costs:						
Down Payment (\$):	\$17,500	\$20,000	\$21,250	\$16,250	\$16,250	\$20,000
Loan Points	\$3,325	\$3,800	\$4,038	\$3,088	\$3,088	\$3,800
Estimated Closing Costs**	\$4,900	\$4,900	\$4,900	\$4,600	\$4,600	\$4,700
Estimated Prepaid Items***	\$2,100	\$2,100	\$2,300	\$2,000	\$1,900	\$1,900
Total Estimated Cash Needed:	\$27,825	\$30,800	\$32,488	\$25,938	\$25,838	\$30,400
Estimated Monthly Payment Details:						
Principal & Interest	\$1,888	\$2,158	\$2,292	\$1,753	\$1,753	\$2,158
Maintenance Fees	\$270	\$270	\$376	\$435	\$258	\$258
Estimated Property Taxes	\$65	\$90	\$115	\$95	\$75	\$75
Estimated Mortgage Insurance	\$163	\$187	\$199	\$152	\$152	\$187
Estimated HO6 Condo Insurance	\$30	\$30	\$30	\$30	\$30	\$30
Estimated Total Monthly Payments	\$2,416	\$2,734	\$3,012	\$2,465	\$2,268	\$2,707
Finance Options Presented By:						

* Estimated Closing Costs Include - Lender's Fees (\$1,000), appraisal (\$850), Escrow & Title Insurance, recording fees, transfer tax

** Estimated Prepays Include - 15 Days Mortgage Interest, 10 Months Property Taxes, 1 Month Maintenance, 1 Yr & 4 months Condo Insurance.

Mortgage Insurance priced out with MGIC MI, 30% coverage, 720 FICO credit score, 45% debt ratio

All amounts are approximations based on sample situations listed and may not reflect what would apply to specific borrowers.

Charges and fees in these examples were calculated based on a Qualifying Interest Rate of 5.5%, an origination charge of 1% of the loan amount, 5% of the purchase price down, and other factors listed above. Actual Interest Rate, charges, and fees will be determined upon application with a lender.

All rates and points shown are for owner-occupant loans based on a loan term of 30 years, unless otherwise stated, and are subject to change or cancellation without notice and subject to loan qualifications based on the lender's underwriting guidelines. Other restrictions or fees may apply. Terms and offer of credit are subject to application and credit approval.



Project Lender* & Loan Officer Profiles

***Applicant must obtain a pre-qualification letter from one of the two Project Lenders. However, purchase mortgage may be obtained by any lender. Applicant shall be responsible for all incurred costs to obtain a pre-qualification letter from the selected preferred lender.**

Loan Officer: Tana Feeley
Guaranteed Rate
NMLS ID #316243
Email: tana.feeley@rate.com
Direct Phone No.: 808-366-9300

Loan Officer: Jimmy Pae
Guaranteed Rate
NMLS ID #733266
Email: jimmy.pae@rate.com
Direct Phone No.: 808-383-4800

Loan Officer: Kriztofer Laborete
Guaranteed Rate
NMLS ID #894546
Email: kriztofer.laborete@rate.com
Direct Phone No.: 808-769-7582

HHFDC Affordable Resale Program

As one of Hawaii's leading mortgage providers,
we can help you with all of your residential financing needs.

When you select First Hawaiian Bank to finance your property, you will receive friendly, local service, and a complete range of mortgage options.

Connect with one of our knowledgeable Mortgage Loan Officers for a pre-qualification and let us help you make your homeownership dreams come true.

First Time Homebuyer Programs Available



Elina Grugier-Bell

AVP and Sr. Mortgage Loan Officer
532-9896 or 282-4681
egrugier@fhb.com
NMLS ID #609941



Bernadette Kaneshiro

AVP and Sr. Mortgage Loan Officer
532-9883 or 779-4876
bkaneshiro@fhb.com
NMLS ID #881938



Marisa Watson

Mortgage Loan Officer
525-5093 or 938-6170
mwatson@fhb.com
NMLS ID #1947151
Japanese Speaking

It all starts with Yes.

Project Lender Pre-Qualification Checklist

***Note documentation must go to the HHFDC and your lender independently of each other.**

****Where duplicate paperwork is required, the buyer is responsible for providing the necessary copies.**

Lender Checklist - copies only

For every borrower on the loan application

- ☐ Current pay stubs (1-month history) for all sources of employment including part-time work
- ☐ 2 most recent years of W-2 Forms
- ☐ Last 2 years of Federal Personal Income tax returns
- ☐ Last 2 years of business returns as applicable
- ☐ 2 months of consecutive asset statements showing sufficient funds to close and reserves as applicable
- ☐ Child support, alimony, social security, pension, bonus, VA benefits and all other forms of income
- ☐ Gift letter from related party assisting buyer(s) with the down-payment for the purchase

OVERVIEW OF HHFDC'S AFFORDABLE RESALE PROGRAM

(the, "Program")

PART 1 – REQUIREMENTS TO PURCHASE

A. ELIGIBILITY REQUIREMENTS

- A.1 Persons interested in purchasing a unit under the Program must be a "First-time Homebuyer"¹, demonstrate a need for affordable housing and meet all eligibility, asset and income requirements (the, "Eligibility Requirements").
- A.2 **A First-time homebuyer is**, a qualified resident who has not owned a unit anywhere in the world for a one period prior to the date of application for a lower-cost housing unit .
- A.3 **What is a "Qualified Resident"?** A person who:
- a. is a citizen of the United States or a permanent resident alien;
 - b. is at least eighteen years of age;
 - c. is a legal resident of the State of Hawaii who now physically resides in the State of Hawaii and shall physically reside in the unit purchased;
 - d. does not own either by the person's self, person's spouse, household member, or together with a spouse (unless separated and living apart under a decree from a court of competent jurisdiction) or household member, (1) a majority* interest in fee simple and/or leasehold lands suitable for dwelling purposes; or a majority* interest in lands under any trust agreement or other fiduciary arrangement in which another person holds legal title to such land – anywhere in the world; and
 - e. Has a gross income¹ sufficient to qualify for the loan to finance the purchase.
- A.4 **What does it mean to demonstrate a need for affordable housing? HHFDC, in its sole and absolute discretion will consider the following as 'demonstrating a need for affordable housing'.**
- a. Household income and number of dependents. An applicant's "Total Household Income"¹ must not exceed the income limits for the person's total household size, as established for the project. Refer to Appendix 1.
 - b. Household asset. An applicant's total household asset shall not exceed the 135% of the maximum qualifying household income for the Program.
 - c. Whether or not the present housing is below standard.
 - d. Whether or not the applicant's need for housing has arisen due to displacement by governmental action; and
 - e. Other pertinent factors, including but not limited to the following.
 - 1) Previous purchase/ownership and sale of a home developed or sponsored by a government agency, such as the Hawaii Housing Authority, Housing Finance and Development Corporation, Hawaii Housing Finance and Development Corporation or any County under HRS Chapters 359G,

201E, 201G or 201H; ***except however***, that HHFDC may, on an individual basis, allow a person who had previously purchased a government developed or sponsored home to reapply under certain circumstances. Refer to the Project Application Packet.

- 2) Applicant has not entered into a binding agreement to purchase an affordable unit developed under the HHFDC or other government sponsored affordable housing program (i.e. HCDA, County Agency).
- 3) Applicant is approved to purchase a government sponsored affordable unit in another project and **will not** enter into an agreement to purchase the other affordable unit within (6) months of applying for the Program.

¹ Refer to Appendix 1 for definitions of Commonly Used Terms used with HHFDC's Affordable Sales Program.

*** Applicant and/or any of the household members determined to have circumvented the rules of homeownership shall be automatically disqualified from participating in the project and future HHFDC projects.**

A.5 The following are a few examples of NOT having a need for affordable housing. This list is not all-encompassing. When determining the need, each application will be evaluated based on the overall mission of the agency, intent of the program and insuring the integrity of the agency's affordable resale program.

- a. **Property Ownership.** Applicant and/or any household member currently owns real property and occupies said real property as their principal residence; applicant divests interest in the real property during the application period (cause for automatic disqualification from the project and future HHFDC projects); applicant's real estate assets exceed the cost of the lowest priced unit in the project according to applicant's household size.
- b. **Income.** Applicant does not have income **or** is financially dependent on someone other than self; Applicant's total household income according to total household size exceeds the household income limit for the project.
- c. **Prior purchase in a government sponsored project.** Applicant, spouse, co-applicant, co-applicant spouse and/or other household member previously purchased and sold a home developed or sponsored by a government agency (state, county, federal) and the sponsoring agency did not repurchase the unit.
- d. Applicant has entered into a binding agreement to purchase an affordable unit developed under the HHFDC or another government sponsored affordable housing program (i.e. HCDA, County agency).
- e. Applicant will enter into an agreement/contract to purchase another government sponsored affordable unit within (6) months of applying for this project.

A.6 **Ineligible Applicants; Spousal Exception.**

Persons who **DO NOT meet** HHFDC's Eligibility Requirements are unable to participate in the program to purchase a unit. Email HHFDC.RESS@hawaii.gov with your questions, if any.

- a. Spousal Exception. If Applicant's spouse does not meet the HHFDC Eligibility Requirements, spouse will not be an Eligible Purchaser and cannot be a buyer or on title to the property. However, spouse shall be counted as part of the Total Household Size¹ and shall also abide by the HHFDC use, sale, transfer and shared appreciation equity obligation requirements, such as owner occupancy.

A.7 **Eligible Purchaser Requirements.**

Persons who are deemed to meet HHFDC's Eligibility Requirements as evidenced by submission of a Complete Application Packet, shall be approved as an "Eligible Purchaser"¹.

- a. Eligible Purchasers must maintain said Eligibility Requirements from date of HHFDC's approval letter through the close of sale, if contracted to purchase.
 - 1) **Exception is made ONLY in the case of income which is determined at the time of application only; unless a change occurs to the applicant's original application, then income will be reviewed based on current income guidelines.**
 - 2) Applicant will be required to sign an affidavit confirming continued eligibility (Eligibility Requirement Affidavit) as part of the sales contract and closing process.
 - 3) HHFDC reserves the right to request the applicant update their application if purchase has not closed and/or when requested by HHFDC in its sole discretion in light of receiving additional information requiring update.
- b. Only Eligible Purchasers can hold title to the property. Persons expecting to be on title to the property must be approved by HHFDC as an Eligible Purchaser.
- c. Applicant must notify HHFDC in writing through EMAIL at HHFDC.RESS@hawaii.gov of **ANY** changes to their submitted application, such as contact information, household size, marital status etc.
 - 1) Any requested changes by the applicant during the HHFDC application review period shall be reviewed and applied after all applications received within the application period has been reviewed by HHFDC.
 - 2) At any time during the application, contract and closing process, should applicant fail to timely inform HHFDC of any changes affecting applicant's eligibility, applicant may be deemed ineligible to purchase.
 - 3) Applicant/buyer shall be responsible for any incurred costs resulting from HHFDC's determination of ineligibility.

B. APPLICATION FORM

- B.1 Persons interested in purchasing a unit in this Program must submit a completed application form. Refer to the Application Packet for instructions and requirements.
- B.2 Applications submitted before the application deadline date may continue with and be included in Part 2 outlined herein.
- B.3 Applications submitted after the deadline date will be automatically disapproved.
- B.4 Information listed on the application form will be entered into a project database monitored by HHFDC for tracking and reporting purposes.

❖ **IMPORTANT.** Persons found to make any false statements knowingly in connection with HHFDC's application shall constitute perjury and is a crime punishable under the provisions of the Hawaii Penal Code; and is cause for automatic disqualification of the applicant from purchasing in the project and future projects. HHFDC will take necessary steps provided under the law to insure the integrity of the Program.

C. APPLICATION REVIEW BY THE HHFDC

- C.1 All applications **received prior to the Application Deadline date** will be reviewed by the HHFDC before starting Part 2 explained herein.
- C.2 **NOTICE OF ELIGIBILITY APPROVAL or DISAPPROVAL**
 - a. Applicants will be notified of their application status in writing, after the application deadline date and upon review and determination by the HHFDC. Refer to the Application Packet for the project application deadline date.
 - b. **If approved**, applicant will be deemed an eligible purchaser and will be provided with detailed information of the next steps activities listed in Part 2.
 - 1) Advance information of the next steps listed in Part 2 **will not** be available or provided until after all applications received before the application deadline date are completely processed by the HHFDC.
 - 2) To avoid delay with receiving your information, keep your address current. Applicant shall be responsible for providing and maintaining current mailing address with the HHFDC.
 - c. **If disapproved**, applicant will be deemed ineligible to purchase and reasons for ineligibility will be provided in writing.
 - 1) If applicant disagrees with HHFDC's determination of ineligibility, applicant may submit a written request for reconsideration within ten (10) days of the date of HHFDC's written notice **and must** include supporting documentation of its position of eligibility.
 - 2) If a response is not received within the specified time, HHFDC's determination shall be final.

- 3) Applicant's appeal letter with supporting documents will be processed after all applications received during the application period is completed. HHFDC requires a minimum of (10) business days to review applicant's appeal.
 - 4) If reconsideration is approved, applicant will be placed at the end of the Eligible Purchaser list.
- d. **Incomplete Applications.** Applications determined by the HHFDC to be incomplete shall automatically be deemed ineligible.
 - e. **Circumvention of HHFDC Program Rules.** Applicant and/or any of the household members determined to have circumvented HHFDC's program rules shall be automatically disqualified from participating in the project and future projects.

PART 2 –PROCESS FOR UNIT SELECTION

❖ **This part only applies to applications received prior to the project deadline date.**

A. PRIORITY GROUP

- A.1 Based on HHFDC's review of the submitted, completed application packet and supporting documents, HHFDC, in its sole discretion, will assign the Eligible Purchaser to a priority group established for the Program.
- A.2 Any discrepancies brought to the attention of the HHFDC by the applicant, will be reviewed after the unit selection.
- A.3 If applicable, changes to applicant's assigned priority group shall be determined in HHFDC's sole and absolute discretion, upon receipt of additional supporting documents, as may be requested.

B. PUBLIC DRAWING

- B.1 A public drawing (lottery) is required for all new offerings. Further details of the step-by-step process will be provided by HHFDC to Eligible Purchasers with the (application) approval letter.

C. UNIT SELECTION

- C.1 HHFDC will notify all Eligible Purchasers of their Property Selection Number (PSN). The PSN determines unit selection order. Details of how the PSN is determined will be provided by HHFDC to Eligible Purchasers with the (application) approval letter

D. PURCHASE CONTRACT SIGNING

- D.1 Eligible Purchasers will be notified in writing, of the contract signing event (i.e. date, time, location, process) and requirements to sign the sales contract, such as a mortgage pre-approval letter, unit selection preference worksheet and initial deposit payment.

PART 3 – CLOSING PROCESS

A. PRE-CLOSING

Prior to closing, buyer will be notified of the closing process and anticipated closing date.

- A.1 Homeownership Counseling Class. Before closing can occur, buyer must complete the Homeownership Counseling course as required by the terms and conditions of the sales contract, regardless if buyer has already taken a similar class. Buyer will be required to complete the class as provided in part by a U.S. Department of Housing and Urban Development (HUD) approved housing Counseling Agency and must receive a completion certificate as evidence of completing such requirement. **Failure to complete the class may result in closing delays, additional fees due to delays, and/or cancellation of the sales contract.**
- A.2 Eligibility Update. HHFDC, in its sole and absolute discretion, may require buyer's confirmation of their continued eligibility to purchase a unit, by completing and submitting an updated application to the HHFDC. Buyer will be notified of this requirement in writing. If buyers do not respond within the specified timeframe, buyer's status of continued eligibility may be cause for delay of the close of sale or ineligibility to purchase, as determined solely by the HHFDC.

B. CLOSE OF SALE / RECORDED TRANSFER OF OWNERSHIP

- B.1 Upon closing, escrow will provide buyer with a copy of buyer's closing statement (itemized costs of the transaction) and a certified, recorded copy of the property deed document. HHFDC or its representative will also cause the keys to be transferred for move-in.
- B.2 **Buyer is encouraged to retain copies of all sales and closing documents, such as the closing statement for tax purposes, if applicable; and the recorded deed for files, future reference and compliance with the HHFDC programs and other provisions which may still be applicable after close of the sale.**

* * * * *

For questions or clarification of any information provided in this Information Packet or in the Application Packet, email HHFDC.RESS@hawaii.gov.