



AFFORDABLE HOUSING FAQs

What is the HHFDC?

The Hawaii Housing Finance and Development Corporation (HHFDC) is the primary agency charged with overseeing affordable housing, financing, and development in Hawaii. Their website is <http://dbedt.hawaii.gov/hhfdc/>.

What are the benefits of HHFDC's Affordable Housing?

1. Affordable Housing allows eligible and qualified applicants to purchase at below market prices. This is accomplished through income-based pricing.
2. Overtime and part-time income are excluded.
3. There are no asset limits.
4. The formula used to calculate Shared Appreciation Equity is attractive, compared to other shared equity programs.
5. Eligible applicants may select any available unit type, up to their maximum qualification, regardless of household size.

What are the buyer's procedures?

1. Attend an educational seminar and receive an Application Packet
2. Fill out the application packet and meet with a Lender for pre-qualification
3. Return the completed packet to the Sales Center by 5:00 pm on August 31, 2016
4. HHFDC First Review – Review of applications to determine eligibility
5. Public Drawing
6. HHFDC Second Review – Assignment of Property Selection Number (PSN)
7. Unit Selection & Contract Signing

What are the income limits for Affordable Housing?

Affordable Housing is for buyers earning below 120% of the Area Median Income.

How do I know if I am eligible for Affordable Housing?

The HHFDC will determine eligibility based on the information you provide in your Application Packet, including the following:

1. US Citizen or permanent resident alien
2. At least 18 years of age
3. Resident of the State of Hawaii who currently resides in the State of Hawaii
4. Shall physically reside in the unit purchased
5. Does not own a majority interest (more than 50%) in a fee simple or leasehold property anywhere in the world
6. Has sufficient gross income to qualify for the loan to finance the purchase

How much is the down payment?

The HHFDC Affordable Housing program requires a 5% deposit.

What is the Buyback Program?

This program gives the HHFDC the first option to purchase the property in the event of a sale or transfer during the first 10 years of ownership. Owner occupancy is a requirement during this period. The restriction automatically terminates at the end of 10 years from the recording date.

What is the SAE Program?

SAE is Shared Appreciation Equity. This is the sharing of the property's net appreciation with the HHFDC in exchange for the buyer's opportunity to purchase at below market prices. The SAE percentage is calculated prior to closing and once determined, does not change.

When is the SAE paid?

The SAE must be paid when the property is sold, transferred or rented. Owners also have the option of paying it off at any time after closing.

What are the documentation requirements?

The HHFDC will require documentation to support the buyer's application. Some examples are: current year tax returns, W-2, 2 months of paystubs, and a letter of pre-qualification from a Lender. Lenders will have different requirements to determine loan pre-qualification.

How is HHFDC's percentage share calculated?

The formula is: Original Fair Market Value (determined by appraisal prior to closing), minus Original Purchase Price, divided by Original Fair Market Value, and rounded to the nearest one percent.

If I am a single person, can I purchase a two-bedroom unit?

Yes, you may select from any available unit that you are eligible (determined by HHFDC) and qualified (as determined by Lender) to purchase.

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