

***This is what your monthly payments could be if you were to purchase a home utilizing the County's Home Buyer Loan Program:***

|                         |               |
|-------------------------|---------------|
| Purchase Price:         | \$450,000.00  |
| Interest Rate:          | 3.00%         |
| Principal and Interest: | \$1,897.22    |
| Taxes:                  | 120.00        |
| Insurance:              | <u>130.00</u> |
| Est. Monthly Payment    | \$2,147.22    |

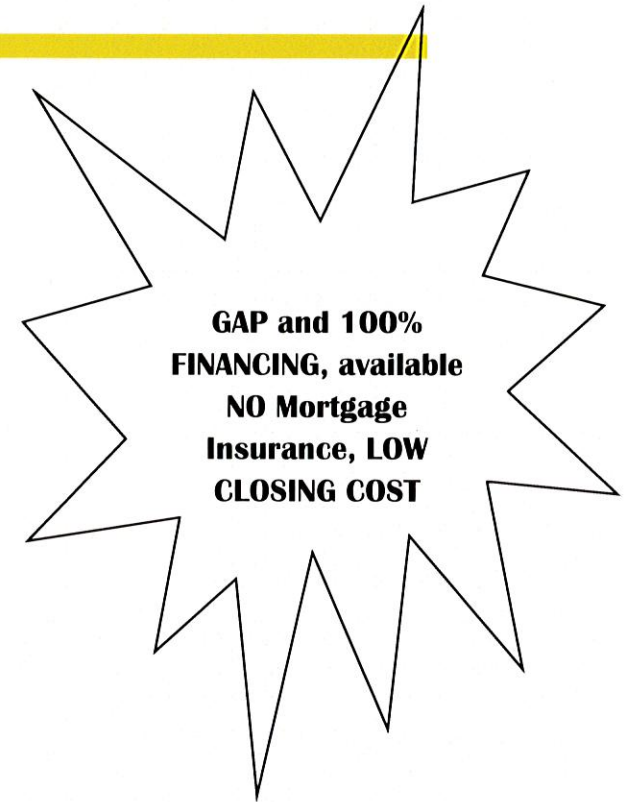
*\*If Leasehold, a ground lease fee will be added to the estimated monthly payment. Ground lease fees are calculated based on the borrowers KMH.*

***Home Buyer List Procedures***

- 1. You Must be a Kauai Resident and a first-time homebuyer.**
- Applicant must register for Home Buyer Education classes with a HUD-approved education and counseling agency. Hawai'i Home Ownership Center (877-523-9503) and Hawai'i Community Assets (632-2070) work in partnership with the KCHA to provide the required education and support to potential homeowners.
- Upon completion of the home buyer education class, applicant will receive a **CERTIFICATE OF ACHIEVEMENT**, which a copy will need to be submitted to the Housing Agency.
- A **Kaua'i Resident Affordable Home Buyer Registration Form** is required to be completed and submitted with a copy of the certificate in order to be on the Affordable Housing Waitlist (AHWL).
- Upon receipt of both forms (homebuyer registration form and certificate), a letter will be sent to the applicant informing them of their perpetual Home Buyer Number.
- Notification of any affordable "for sale" development, single family homes or projects will be sent to all active participants on the AHWL.

**FOR MORE INFORMATION, CONTACT:**

County of Kaua'i  
Development Division  
4444 Rice street  
Piikoi building, Suite 330  
Lihu'e, Hawai'i 96766  
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**KAUA'I COUNTY  
HOUSING AGENCY**

**HOME BUYER LOAN  
PROGRAM**



# HOME BUYER LOAN PROGRAM

## What is the Home Buyer Loan Program?

The Home Buyer Loan Program provides low-cost loans to first-time homebuyers on the island of Kaua'i who meet the Kaua'i Median Household Income (KMHI) as published by HUD for the island of Kaua'i.

## Who is eligible to borrow:

- You are a Citizen of the United States or Resident Alien
- You are 18 years or older
- You are a first-time homebuyer (you, your spouse or your partner cannot own majority interest in a principal residence or real estate for a period of 3 years prior to the closing of a homebuyer loan)
- You must occupy the property purchasing as your primary residence
- Must complete Homebuyer Education
- Preference is given to residents of the island of Kaua'i.

## What types of programs are available?

Primary and GAP Mortgages are made available to income qualified home-buyers

## What are the maximum loan amounts and terms of the loan?

The maximum loan amount for a **Primary** loan is \$450,000.00. Interest rate is based on the borrowers KMHI, amortized for a period of 30 years, with a 15-year balloon.

The maximum loan amount for a **GAP** mortgage is \$150,000.00. Interest rate is based on the borrowers KMHI, amortized for a period of 30 years, interest only payments for the first seven (7) years.

## What is the 2020 Kaua'i Median Household Income

### Limits?

- <80% \$81,550.00\*\*

*\*Income limits posted is based on the average household size of four (4). The income limits may be revised by KCHA pursuant to the current income limits as published by HUD for the island of Kaua'i, annually.*

**\*\*CERTAIN RESTRICTIONS APPLY. PLEASE CONTACT KCHA FOR MORE INFORMATION.**

## What type of properties may be financed with the Home Buyer Loan?

- Property must be located on the island of Kaua'i
- Be outside of the FIRM 100-year flood boundary
- Be a single-family detached dwelling or condominium unit
- Must pass Federal minimum Housing Quality Standards for existing homes and if newly constructed, built to County Building Code.

## What type of fees are associated with the Homebuyer Loan in comparison to a standard lender?

| <u>KCHA</u>             | <u>STANDARD LENDER</u> |
|-------------------------|------------------------|
| Appraisal               | Appraisal              |
| Credit Report           | Credit Report          |
| <u>Title and Escrow</u> | Title and Escrow       |
| *Est. \$3,500.00        | Loan Origination Fee   |
|                         | Processing             |
|                         | Underwriting           |
|                         | Flood Certification    |
|                         | <u>Tax Service Fee</u> |
|                         | *Est. \$8,000.00       |

*\* Estimates are based on a loan amount of \$450,000.00*

## Are there any restrictions on selling the home financed with the Home Buyer Loan?

- Must be owner-occupied
- Fee –Simple sale is subject to the County's 50-year Restriction on Sale, Transfer, Debt and Use and Shared Appreciation (if applicable).
- Leasehold sale is subject to the County of Kaua'i 90– year Ground Lease.