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# SENATE CONCURRENT RESOLUTION

REQUESTING FEDERAL PROGRAMS FANNIE MAE AND FREDDIE MAC TO ALLOW  
SPECIAL RECONSIDERATION FOR A PRICING AND POLICIES  
EXCEPTION TO THE HAWAII REAL ESTATE MARKET AND FOR FIRST-  
TIME HOMEBUYERS WITH REGARD TO LOANS DELIVERED ON HAWAII  
CONDOMINIUMS.

1           WHEREAS, due to the high cost of real estate in Hawaii, the  
2 majority of first-time homebuyers are limited to purchasing  
3 homes in condominium projects; and  
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5           WHEREAS, when financing condominiums, lenders who sell  
6 mortgages to Fannie Mae and Freddie Mac -- federal government-  
7 sponsored enterprises chartered by Congress with a mission to  
8 provide liquidity and stability to the United States housing and  
9 mortgage markets -- have been forced to conform to high price  
10 adjustment schedules, higher insurance requirements, and  
11 exclusionary private mortgage insurance policies such as the  
12 requirement of unattainable owner-occupancy percentages of  
13 seventy per cent, which have been developed based on national  
14 data and circumstances; and  
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16           WHEREAS, in Hawaii this results in more restrictive  
17 underwriting standards and higher borrowing costs, which low and  
18 moderate income borrowers cannot qualify for, nor afford, due to  
19 the higher cost of living, especially for housing; and  
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21           WHEREAS, these policies were created as a result of  
22 experiences in other market areas across the country, and have a  
23 disproportionate and unfair impact on first-time Hawaii  
24 homebuyers with moderate incomes and a limited affordable  
25 housing market segment; and  
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27           WHEREAS, Hawaii has enacted condominium association  
28 regulations to ensure that projects have adequate financial  
29 reserves to properly maintain their premises; and  
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1           WHEREAS, Hawaii's condominium projects have a higher than  
2 average ratio of non-owner occupied units as the result of high  
3 rental demand, which is in turn, due to lower levels of  
4 homeownership; and  
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6           WHEREAS, Hawaii's critical affordable housing shortage  
7 requires removal of any discriminatory barriers to mortgages so  
8 that purchasers are able to qualify and obtain mortgages that do  
9 not threaten them with future foreclosure; now, therefore,  
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11           BE IT RESOLVED by the Senate of the Twenty-fifth  
12 Legislature of the State of Hawaii, Regular Session of 2009, the  
13 House of Representatives concurring, that federal programs  
14 Fannie Mae and Freddie Mac are requested to allow special  
15 reconsideration for a pricing and policies exception to the  
16 Hawaii real estate market and for first-time homebuyers with  
17 regard to loans delivered on Hawaii condominiums; and  
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19           BE IT FURTHER RESOLVED that certified copies of this  
20 Concurrent Resolution be transmitted to the President and Chief  
21 Executive Officer of Fannie Mae; Interim Chief Executive Officer  
22 of Freddie Mac; Secretary of the United States Department of  
23 Commerce, Housing and Urban Development; United States Senator  
24 Daniel K. Inouye; United States Senator Daniel K. Akaka; United  
25 States Representative Neil Abercrombie; United States  
26 Representative Mazie Hirono; and the Governor of Hawaii.