
A BILL FOR AN ACT

RELATING TO MORTGAGES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the Hawaii housing
2 finance and development corporation is tasked with developing
3 and financing low- and moderate-income housing projects and
4 administering homeownership programs. One function of the
5 Hawaii housing finance and development corporation is providing
6 mortgages for affordable housing units to qualifying residents.

7 The legislature further finds that affordable units priced
8 between \$350,000 and \$600,000 might still be unaffordable to
9 first-time buyers without the financial assistance of family and
10 friends. The legislature additionally finds that the "family"
11 of Hawaii's residents frequently extends to cousins, uncles,
12 aunties, step-parents, and "hanai" family members who may not be
13 considered family under the definition used by the Hawaii
14 housing finance and development corporation, but who have the
15 financial capacity and the willingness to assist buyers with the
16 down payment or the qualification for a mortgage.



1 The purpose of this Act is to:

2 (1) Include extended and hanai family members as family
3 members who are eligible to assist a qualified
4 resident in securing a mortgage to purchase a dwelling
5 unit from the Hawaii housing finance and development
6 corporation; and

7 (2) Require a qualified resident who is assisted by a co-
8 mortgager to have an income of at least fifty per cent
9 of the amount required to qualify for a loan to
10 purchase the dwelling unit.

11 SECTION 2. Section 201H-46, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "~~§~~201H-46 ~~§~~ Co-mortgagor. For purposes of qualifying
14 for a mortgage loan to finance the purchase of a dwelling unit
15 under this part, a "qualified resident" as defined in section
16 201H-32 may be assisted by a co-mortgagor who is a family
17 member, including an extended or hanai family member, as defined
18 by the corporation, who may own other lands in fee simple or
19 leasehold suitable for dwelling purposes, whose interest in the
20 dwelling unit to be purchased is limited to no more than one per
21 cent, and who certifies that the co-mortgagor does not intend to



1 reside in the dwelling unit[-]; provided that a qualified
2 resident who is assisted by a co-mortgagor shall have an income
3 of at least fifty per cent of the amount required to qualify for
4 a loan to purchase the dwelling unit. The income and assets of
5 the co-mortgagor shall not be counted in determining the
6 eligibility of the "qualified resident" under this chapter."

7 SECTION 3. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Hawaii Housing Finance and Development Corporation; Co-mortgagor; Family Members; Income

Description:

Clarifies that a co-mortgagor assisting a qualified resident in securing a mortgage to purchase a dwelling unit from the Hawaii housing finance and development corporation may be a family member, which also includes extended or hanai family members. Requires a qualified resident who is assisted by a co-mortgager to have an income of at least fifty per cent of the amount required to qualify for a loan to purchase the dwelling unit.

(HB870 HD1)

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