

House District(s) 27

Senate District(s) 13

THE TWENTY-NINTH LEGISLATURE
APPLICATION FOR GRANTS
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST – OPERATING

GRANT REQUEST – CAPITAL

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Recipient" means any organization or person receiving a grant.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN): DHS- Homeless Programs office
STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): _____

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
Hawaiian Community Assets, Inc.

Dbas: N/A

Street Address: 200 N Vineyard Boulevard, Suite A300,
Honolulu, HI 96817

Mailing Address: 200 N Vineyard Boulevard, Suite A300,
Honolulu, HI 96817

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name JEFF GILBREATH

Title Executive Director

Phone # 808.587.7653

Fax # 808.628.6879

E-mail jeff@hawaiiancommunity.net

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
- FOR PROFIT CORPORATION INCORPORATED IN HAWAII
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL
- OTHER

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

HAWAII EMERGENCY LOAN PROGRAM

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2019: \$340,800

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE
AT THE TIME OF THIS REQUEST:

STATE \$125,000

FEDERAL \$17,500

COUNTY \$ _____

PRIVATE/OTHER \$259,988

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

Jeff Gilbreath / Executive Director 1/18/18

NAME & TITLE

DATE SIGNED

JAN 19 2018 1:14 PM

Application for Grants

Please check the box when item/section has been completed. If any item is not applicable to the request, the applicant should enter "not applicable".

I. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Please include the following:

1. A brief description of the applicant's background;

Hawaiian Community Assets (HCA) is certified by the U.S. Department of Housing and Urban Development (HUD) as a nonprofit, 501(c)3 housing counseling agency. HCA's mission is to increase the capacity of low and moderate income communities and individuals to achieve and sustain economic self-sufficiency. The organization implements a comprehensive service delivery model to realize its mission that includes public education/outreach, career training/technical assistance, place-based financial education workshops, individualized housing counseling, and match savings and micro-loan programs. It is through this service delivery model that HCA provides Hawaii workers, families, and residents with access to the mainstream financial system as a bridge to affordable housing, understanding that affordable housing is the primary vehicle for Hawaii residents to achieve economic self-sufficiency.

Since 2000 HCA has served more than 17,000 low and moderate income Hawaii residents through its programming, successfully assisting 5,809 children and adults secure or sustain affordable housing. Over the last 17 years HCA has managed public and private funds to implement its services, including those from the State Attorney General, Office of Hawaiian Affairs, and Department of Hawaiian Homelands (DHHL) as well as the Counties of Kauai, Hawaii, and Honolulu. The organization has been successful at leveraging Municipal and State resources to attract Federal funding from the Corporation for National and Community Service (CNCS), Administration for Native Americans, HUD, and the Department of the Treasury.

Recently, HCA was highlighted in the groundbreaking *Foundations for the Future* report¹ issued by Brandeis University which identifies the organization's work in financial education and asset building as a national best practice. Included in the report is a case study which confirms HCA's ability to address systemic economic and housing issues through its programming and in a way that empowers Hawaii residents to take control of

¹ Foundations for the Future: Empowerment Economics in the Native Hawaiian Context. Institute on Assets and Social Policy, Brandeis University, Heller School. October 2017.
http://www.hawaiiancommunity.net/info/171009_FOUNDATIONS_FOR_THE_FUTURE.pdf

their economic well-being, including finances, health, housing, and family and community relationships.

HCA employs 10 full-time staff, supported by 15 AmeriCorps members, who provide services and products to low and moderate income children and families statewide, including homeless persons, first-time homebuyers, military service members and Veterans, and Hawaiian Homelands lessees. Staff work from 3 County-hub offices on Oahu, Hawaii Island, and Kauai as well as utilize 24 additional remote site offices across the state. The organization is managed by 1 Executive Director who is overseen by a 5-member Board of Directors.

In 2014, as the affordable housing crisis grew in the wake of the Great Recession, HCA created a 501c3 nonprofit subsidiary and US Department of Treasury certified Community Development Financial Institution (CDFI), Hawaii Community Lending (HCL), to specialize in providing small dollar loans for Hawaii families experiencing or at-risk of homelessness. At the time, the State of Hawaii had documented the need for 66,000 additional housing units by 2026 to meet projected demand², while national advocacy organization, Prosperity Now, reported that nearly 1 in 3 Hawaii households were living below the “liquid asset poverty line”, meaning they lacked the savings necessary to cover three months of basic expenses in the event of a financial emergency³. Without adequate savings, our families were relying, and continue to rely, on already limited public assistance and payday loans with interest rates at 459% APR to make ends meet. In dire circumstances, they have been resorting to living on the beach and in homeless shelters until they are able recover financially. In response, HCA secured \$125,000 in funding from the Office of Hawaiian Affairs for HCL to provide small dollar loans of less than \$5,000, at interest rates of 10% APR and below to assist with credit building and repair with the goal of increasing their access to the mainstream financial system as a bridge to affordable housing and economic self-sufficiency.

In July 2017, HCL launched the Hawaii Community Lending Initiative to combat the use of high-interest payday loans by local families and the negative impacts of the State economy losing \$105 of every \$600 borrowed from off-shore payday lenders. Within the first 100 days of the Initiative, HCL received 143 loan requests - 6 of 7 were for rent or mortgage assistance to prevent homelessness. With limited loan capital, HCL created a new Emergency Loan product for rent/mortgage assistance which it provided to 32 families along with financial education through HCA to prevent eviction and homelessness. 76 families were enrolled in financial education, housing counseling, and match savings programs with HCA as a strategy to address their longer-term housing emergency. Finally, 35 families were referred to Aloha United Way’s 2-1-1 for emergency assistance grants and homeless shelters.

² *Measuring Housing Demand in Hawaii, 2015-2025*, Department of Business, Economic Development, and Tourism. March 2015. <http://files.hawaii.gov/dbedt/economic/reports/2015-05-housing-demand.pdf>

³ Liquid Asset Poverty Rate, Prosperity Now. January 2016. <http://scorecard.prosperitynow.org/2016/measure/liquid-asset-poverty-rate>

Today, HCL has established itself as the first-and-only statewide CDFI providing small dollar loans to local families experiencing or at-risk of homelessness. HCL maintains a delinquency rate below 10% and an astounding default rate of less than .01%. Coupled with financial education provided by HCA, HCL has originated 206 loans totaling \$378,026 in capital with 98% of borrowers successfully securing or sustaining permanent housing. In addition, HCL borrowers have saved \$486,335 in interest from payday loans and other high-interest products and gone on to access \$1,312,780 in capital through the mainstream financial system after paying off their loans with the organization. Access to the mainstream financial system has been a tool for HCL borrowers to pull themselves out of liquid asset poverty and address their lack of savings for financial and housing emergencies without relying on high-interest payday loans or already limited public assistance to meet their basic needs.

With \$402,488 in secured funding from the Office of Hawaiian Affairs, Aloha United Way, Hawaii Commission for National and Community Services, and loan packaging and interest/fee revenue, HCA and HCL are set to launch the Hawaii Emergency Loan Program which will offer Emergency Loans to assist Oahu residents with rent/mortgage payments starting February 1, 2018.

2. The goals and objectives related to the request;

HCA is submitting a Grant-in-Aid request for the Hawaii Emergency Loan Program (HELP). The goal of HELP is to expand statewide access to small dollar emergency loans for rent/mortgage payments and assist 1,000 Hawaii children and adults, experiencing or at-risk of homelessness, secure or sustain permanent housing by December 2019.

HCA and HCL will expand statewide access to small dollar emergency loans for rent/mortgage payments and assist 1,000 Hawaii children and adults secure or sustain permanent housing by completing 4 objectives:

- (1) Enroll 300 Hawaii families in HELP for assistance with rent/mortgage payments,
- (2) Deploy \$450,000 in revolving loan capital through HCL's Emergency Loan product for payment of rent/mortgages to end or prevent homelessness,
- (3) Provide ongoing HUD-approved financial counseling through HCA to assist 300 families establish household budgets, review their credit, and create action plans for permanent housing, and;
- (4) Reduce revenue lost by the State economy to off-shore payday lenders loans by establishing 1 streamlined referral process for HELP participants to gain access to emergency grant assistance through the State and County Coordinated Homeless Entry System and/or low-cost financial services and loans through local banks and credit unions.

HELP will be sustained beyond the project period through earned revenue from loan interest and fees generated through its revolving loan fund.

3. The public purpose and need to be served;

In 2015, Hawaii had an estimated population of 1,413,603 people – 268,163 living in rural communities.⁴ Geographic isolation, brought on by the fact that the population is spread across an archipelago, has historically excluded Hawaii’s most impoverished families from accessing the mainstream financial systems and HUD-certified financial education and counseling services necessary to secure and sustain affordable housing. With the extremely high housing costs and low annual average pay rates as compared to the rest of the nation, low income Hawaii workers and families face extraordinary barriers to the opportunities that could assist them in accessing affordable housing and strengthen our State economy. Lack of access to the mainstream financial system places a strain on our already limited public resources, perpetuates housing instability, and unnecessarily strips capital from our local economy. This crisis is especially dire for our children and adults experiencing or at-risk of homelessness as they often do not have access to basic checking and savings accounts and are reliant on payday loans with interest rates at 459% APR.

According to the Corporation for Enterprise Development, Hawaii workers earn \$38,907 annually, which is \$12,457 less than the national average, placing the State last in terms of annual average pay rates.⁵ At the same time, the State has the highest housing cost burdens for both renters and homeowners with 40.6% of our homeowners and 57.5% of our renters paying more than 1/3 of their monthly income toward housing.⁶ As a result, it is common for low income, working Hawaii families to rely on public assistance and payday loans with interest rates of 459% APR to weather financial emergencies that could result in homelessness.

Fortunately, it is through the partnership between two local nonprofits, HCA and HCL, that our local workers and families have access to small dollar loans for rent/mortgage payments at rates as low as 10% APR. The *Hawaii Emergency Loan Program* is a “shovel-ready” project that will leverage investments from the Office of Hawaiian Affairs, Aloha United Way as well as the US Department of Treasury and First Nations/Oweesta to make these loans available to all Hawaii residents experiencing or at-risk of homelessness, so they can help instill skills for financial and housing stability, increase their access to the mainstream financial system to reduce reliance on already scarce public benefits, and assist our State economy in retaining interest earnings that would otherwise leave as profits to off-shore payday lenders.

With \$340,800 in support from the Hawaii State Legislature Grant-in-Aid, HCA will expand HELP to provide statewide access to small dollar emergency loans for rent/mortgage payments and assist 1,000 Hawaii children and adults secure or sustain

⁴ United States Department of Agriculture Economic Research Service, 2015

⁵ Assets and Opportunities Scorecard: Hawaii, Corporation for Enterprise Development, 2015

⁶ Ibid. 4

permanent housing by December 2019. Loan funds will be revolved once paid back by borrowers, creating a sustainable program that will exist in perpetuity.

4. Describe the target population to be served; and

The *Hawaii Emergency Loan Program (HELP)* will provide Emergency Loans for rent/mortgage assistance and financial education to Hawaii families, experiencing or at-risk of homelessness. Loans will be administered by HCL and financial education provided by HCA.

Demographic information for HELP is listed in the table on the following page and based on HCL’s historic borrower profile. Data has been gathered from HCA and HCL’s shared internal client data managed in its electronic client management system, CounselorMax. The numbers are representative of the HCL borrowers. Based on the information below, 92% of HCA and HCL clients are low income, meaning they earn less than 80% area median income (AMI).

Gender	
Female	58%
Ethnicity	
Native Hawaiian	76%
Pacific Islander	11%
Asian	8%
Multi-Race	5%
Household Income	
Extremely Low <30% AMI	53%
Very Low 30-49% AMI	19%
Low Income 50-79% AMI	20%
Household Size	
Average Household Members	3.4

5. Describe the geographic coverage.

HCL provides small dollar loans for credit building/repair for families experiencing or at-risk of homelessness across the state. Similarly, HCA provides free, HUD-approved financial education and counseling statewide to support HCL borrowers in achieving their housing goals.

Since 2014 HCL has originated 206 loans totaling \$378,026 in capital which has been deployed in 33 House Districts and 23 Senate Districts providing housing stability for 618 children and adults.

State House District: Member	State Senate District: Member	# of Borrowers	\$ Capital Deployed	# Persons in Housing
1: Nakashima	1: Kahele	4	\$6,554	13
1: Nakashima	4: Inouye	3	\$750	10
2: Todd	1: Kahele	3	\$7,321	11
3: Onishi	1: Kahele	1	\$5,397	2
3: Onishi	2: Ruderman	5	\$30,219	17
4: Buenaventura	2: Ruderman	7	\$1,750	23
5: Creagen	3: Green	1	\$3,251	1
6: Lowen	3: Green	21	\$39,301	71
7: Evans	4: Inouye	3	\$750	6
8: Souki	5: Keith-Agaran	8	\$22,000	27
12: Yamashita	7: English	1	\$7,600	4
18: Hashem	9: Chang	2	\$3,150	5
19: Kobayashi	9: Chang	2	\$6,213	6
20: Say	10: Ihara	1	\$200	2
21: Nishimoto	10: Ihara	2	\$6,998	3
25: Luke	11: Tanaguchi	4	\$14,210	11
26: Saiki	12: Galuteria	3	\$29,195	9
27: Ohno	13: Rhoads	1	\$300	1
27: Ohno	14: Kim	1	\$4,413	5
29: Holt	13: Rhoads	4	\$11,701	13
28: Mizuno	14: Kim	1	\$2,572	2
32: Ichiyama	15: Wakai	1	\$250	2
33: Kong	14: Kim	1	\$3,937	3
35: Takumi	17: Nishihara	3	\$16,800	10
35: Takumi	20: Gabbard	3	\$12,162	9
36: Fukumoto	22: Dela Cruz	3	\$11,300	7
38: Aquino	17: Nishihara	2	\$5,000	5
39: Cullen	20: Gabbard	2	\$12,250	9
40: McDermott	19: Espero	5	\$15,598	16
42: Har	20: Gabbard	12	\$12,953	31
43: Tupola	20: Gabbard	16	\$3,637	44
43: Tupola	21: Shimabukuro	36	\$40,593	123
44: Gates	21: Shimabukuro	32	\$17,497	87
46: Lermont	22: Dela Cruz	3	\$10,250	9
48: Keohokaole	23: Riviere	3	\$8,704	10
49: Ito	24: Tokuda	2	\$2,250	2
50: Thielen	25: Thielen	1	\$250	1
51: Lee	25: Thielen	3	\$750	8

With current funding from Aloha United Way, emergency loans for rent/mortgage assistance are only available for Oahu residents. Hawaii State Legislature Grant-in-Aid

funds will expand statewide access to emergency loans for rent/mortgage assistance provided by HCL and coupled with financial education by HCA.

Loans and financial education will be administered through HCA's statewide offices as well as remote office locations at the following sites:

Oahu

- Hawaiian Community Assets, 200 N Vineyard Boulevard, Suite A300, Honolulu, 96817
- Council for Native Hawaiian Advancement, 2149 Lauwiliwili Street, Suite 200, Kapolei, 96707
- Hale Makana O Nanakuli, 89-102 Farrington Highway Waianae HI, 96792
- Ohana Kakoo Resource Center, 85-888 Farrington Highway, Waianae, HI 96792

Hawaii

- Hawaiian Community Assets, 1315 Kalaniana'ole Avenue, Hilo, HI 96720
- Laiopua 2020, 74-5599 Luhia Street, Suite #E5, Kailua-Kona, HI 96740

Kauai

- Hawaiian Community Assets, 4525 Ioane Road, Anahola, HI 96703

Maui

- Friends of Mokuula, 505 Front Street, Suite #221, Lahaina, HI 96761
- Catholic Charities Hawaii, 2050 Main Street, Suite 3A, Wailuku, HI 96793

Molokai

- Office of Hawaiian Affairs, Kaunakakai, HI 96748

Lanai

- Office of Hawaiian Affairs, 853 Fraser Ave # B, Lanai City, HI 96763

In addition, HCL will administer a statewide call center and partner with County-administered Coordinated Homeless Entry Systems to accept referrals for enrollment. Homeless service providers from across the state will be trained to package Emergency Loan applications and submit for funding via a secured website or mailed hard copies. When necessary, financial education will be provided remotely via Skype and phone to ensure disbursement of emergency loan funds within 5 business days of loan application.

II. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

1. Describe the scope of work, tasks and responsibilities;

The goal of the *Hawaii Emergency Loan Program (HELP)* is to expand statewide access to small dollar emergency loans for rent/mortgage payments and assist 1,000 Hawaii children and adults, experiencing or at-risk of homelessness, secure or sustain permanent housing by December 2019. HCA and HCL will accomplish this goal by enrolling 300 Hawaii families in HELP for assistance with rent/mortgage payments, deploying \$450,000 in revolving loan capital through HCL's Emergency Loan product for payment of rent/mortgages, and providing ongoing HUD-approved financial counseling for long-term financial and housing stability through the establishment of household budgets, review of credit reports, and creation of housing action plans.

Furthermore, the project will assist the State economy retain interest payments that are currently being lost to off-shore payday lenders by establishing a referral process for HELP participants to access emergency grants from homeless service providers and low-cost loans from local banks and credit unions. More specifically, HELP will align with the State and County-administered Coordinated Homeless Entry Systems as well as homeless service providers by accepting referrals of homeless persons for enrollment, ensuring Emergency Loans are provided to families who have already been assessed for emergency grant assistance. Partnerships with local financial institutions will be established to allow for referrals to low-cost loans within the mainstream financial system in order to forgo taking on payday loans with interest rates at 459% APR.

HELP will be sustained beyond the project period through earned revenue from loan interest and fees generated by the revolving loan fund.

The following details HCA and HCL's joint approach and activities that will be delivered by identified staff:

- Financial Trainer = FT
- Community Services Assistant = CSA
- Community Services Specialist = CSS
- Program Coordinator = PC
- Loan Officer = LO
- Office Manager = OM
- Program Director = PD
- Executive Director = ED

Partner Training. The LO will coordinate and conduct 4 HELP trainings for homeless service providers on the Emergency Loan application process. Trainings will occur within the project's first 4 months and include a review of the loan application, required borrower financial documents, and referral process streamlined through online submission of application packets.

Public Education/Outreach. CSAs will conduct public education/outreach to increase awareness of HELP within communities with high rates of families experiencing or at-risk of homelessness. CSAs will document outreach events via Outreach Reports

submitted to PCs for filing in the electronic project file. The ED and LO will secure partnerships with State and County agencies, homeless service providers, and local banks and credit unions to establish a referral process that will ensure HELP participants are able to receive rent/mortgage assistance to prevent homelessness without resorting to payday loans or other high-interest alternative financial services.

Loan Application. Loan applications will be available on HCL's webpage, by email, mail, or for in-person pick up. Applications will be received by CSAs and uploaded to the CounselorMax (CMAX) system.

Loan Processing and Underwriting. Within 2 business days of receiving the loan application, LO will verify income, debt with a tri-merge credit report, eviction/foreclosure action date, amount requested, and purpose of funds. The LO will complete an underwriting worksheet to include a debt-to-income ratio (DTI) calculation, ensuring the borrower is able to afford a potential emergency loan or be qualified to access an emergency grant from a homeless service provider or lower-cost loan from a local credit union or bank.

Loan Determination. The LO will generate and send loan determination letters to HELP enrollee households accordingly:

- *Referral* if household able to qualify for financial assistance through a no-cost emergency grant program and/or lower-cost loans with a local credit union or bank.
- *Pre-Approval* if household under 60% DTI and eviction/foreclosure action within 45 days. LO will upload Pre- Approval to CMAX and ready file for origination.
- *Conditional Approval* if household under 60% DTI and eviction/foreclosure action within 46+ days. LO will upload Conditional Approval to CMAX and provide HCA intake packet to enroll in financial education.
- *Denial Letter* if household is over 60% DTI. LO will upload Denial letter to CMAX, refer household to 2-1-1 and/or the Coordinated Homeless Entry System for emergency assistance/homeless services, and provide HCA intake packet to enroll in financial education. In the event that the client is a referral from Catholic Charities Hawaii, the LO will work with Catholic Charities staff to secure a loan guarantee for their client in order to issue an Emergency Loans regardless of their DTI level.

Loan Origination and Approval. LO will originate loan documents, upload to CMAX, and schedule loan closing with borrower/s and CSS/PC. If the loan amount request is above \$1,500, the ED will review the file for approval.

Loan Closing and Financial Counseling. During loan closing, CSS/PC will provide financial counseling. During counseling sessions, CSS/PCs will review HELP participant's credit report to verify debt, identify credit scores, and dispute inaccurate information. CSS/PCs will then assist participants, including family members, in developing budgets and creating action plans identifying housing goals, barriers, and steps to increase their financial capacity to rent or own homes. If borrower/s unbanked, CSS/PC will help them open an EASE account with Bank of Hawaii or other

checking/savings accounts with a local financial institution. Loan documents will be reviewed and signed by borrower/s. CSS/PC will enroll HELP borrowers in ongoing financial education through HCA, including workshops and counseling. LO will provide OM with signed loan documents. OM will generate loan checks for emergency rent/mortgage payments of up to \$1,500 at a fixed 10% APR with 6-24 month terms. Loan checks will be provided to the borrower at the end of the counseling session.

Financial Education. Workshops will be coordinated and overseen by PCs and conducted by FTs. 1- to 4-hour workshops will feature the HCA's place-based Kahua Waiwai© curriculum and include information on budgeting/financial planning, types and uses of credit, and the importance of saving and credit. Training Reports with sign-in sheets and completed evaluations will be submitted by FTs to CSAs for data input. CSAs will create workshop files and submit to the PD for a quality review. Upon completion of the review, the PD will forward the client information to CSAs who will contact the workshop attendees to schedule follow up counseling sessions, as needed.

Case Management. CSSs/PCs will conduct follow-up counseling sessions, at a minimum, once every 6 months to monitor participant progress on their action plans and credit reports will be pulled annually to monitor improvement in participant credit scores. Counseling information will be documented using counseling forms to be placed in secured hardcopy/electronic client files.

Loan File. LO will input loan information into HCL's Credit Manager 4© loan management system and OM will input loan information in HCA and HCL's shared QuickBooks system.

Loan Servicing. OM will generate monthly ACH debit request and forward for ED approval. Upon ED approval, OM will submit ACH request. If borrower account does not have sufficient funds, a second request will be made with fees for late payment and returned checks. CSS/PC will be informed to contact borrower/s for ongoing counseling in the event of a missed payment.

Loan Reporting. LO will submit loan reports to credit bureaus monthly and to the ED who will report to the HCL Board, CDFI Fund, and all other funders to monitor loan fund as required.

Measurement and Evaluation. Project progress will be measured and evaluated by the LO who will generate monthly reports via CMAX and Credit Manager 4© and submit to ED for review. The CSAs and CSSs/PCs will input data from financial education workshops, counseling, asset building products, and the number of low income children and adults who secure or sustain affordable housing in CMAX. The PD will review financial education reports and submit to the ED. Quarterly Quality Reviews of financial education workshops and counseling will be conducted by PD for compliance with HUD

standards. Quality Review results will be tracked via hardcopy forms filed in central binders and in education/client files.

Administration and Program Management. The LO will be responsible for overall project coordination with oversight by the ED. All project revenue and expenditures will be managed by the OM who will review monthly financial reports with the ED who will provide project oversight and financial management expertise with guidance from the Board of Directors.

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

Objectives and Major Tasks	Performed By	MONTH											
		1	2	3	4	5	6	7	8	9	10	11	12
Conduct 4 partner trainings	Loan Officer	x	x	x	x								
Conduct public education/outreach to promote HELP	Community Services Assistants	x	x	x	x	x	x	x	x	x	x	x	x
Process Emergency Loan applications to enroll borrowers for rent/mortgage assistance	Community Services Assistants	x	x	x	x	x	x	x	x	x	x	x	x
Issue determination letters to enroll 300 families in Emergency Loans, financial education, or for referral to partner organizations/institutions	Loan Officer	x	x	x	x	x	x	x	x	x	x	x	x
Conduct loan closing and financial counseling sessions	Community Services Specialists/ Program Coordinators	x	x	x	x	x	x	x	x	x	x	x	x
Coordinate financial education workshops	Program Coordinators	x	x	x	x	x	x	x	x	x	x	x	x
Deliver financial education workshops	Financial Trainers	x	x	x	x	x	x	x	x	x	x	x	x
Data entry and client file maintenance	Community Services Assistants/ Community	x	x	x	x	x	x	x	x	x	x	x	x

	Services Specialists/ Program Coordinators													
Deploy \$450,000 in loan capital through Emergency Loans	Loan Officer/ Office Manager	x	x	x	x	x	x	x	x	x	x	x	x	x
Maintain loan files	Loan Officer	x	x	x	x	x	x	x	x	x	x	x	x	x
Service loans and manage project revenues/expenses	Office Manager	x	x	x	x	x	x	x	x	x	x	X	x	
Generate and submit reports	Loan Fund Manager	x	x	x	x	x	x	x	x	x	x	X	x	
Assist with project reporting and quality control	Program Director	x	x	x	x	x	x	x	x	x	x	x	x	x
Provide oversight and financial management	Executive Director	x	x	x	x	x	x	x	x	x	x	x	x	x

3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

HCA adheres to a Quality Control Plan for its HUD-certified financial education and counseling programs reviewed and approved by HUD, while HCL adheres to Loan Policies and Procedures reviewed and approved by its Board of Directors.

HCA administers a Quality Control Plan in accordance with its HUD Housing Counseling Plan to ensure the quality of its financial education and housing counseling services as well as asset building products. The Quality Control Plan provides both staff and management with necessary tools to measure quality and effectiveness of our programs based on data collection, case management, counseling need, and compliance with all HUD guidelines as a sub-recipient grantee through Rural Community Assistance Corporation.

Additionally, HCL adheres to Loan Policies and Procedures that is to maintain a delinquency rate of less than 10% and default rate of no more than 1%. The Policies and Procedures dictate the appropriate responsibilities of each staff member and the Board in processing, underwriting, servicing, and quality control all loans made through the revolving loan fund. The Policies and Procedures are reported to the US Department of Treasury for review and approval.

- **Record Keeping.** HCA, and its lending subsidiary Hawaii Community Lending (HCL), utilize both hard copy and electronic filing systems to ensure Quality Control of its records and to monitor client/borrower progress and program success.

- **On-Line.** CounselorMax, a HUD-approved electronic client management system, is used to report education and counseling client demographics, including ethnicity, employment status, housing status, household income, savings, and debt, as well as monitor client progress in increasing savings, decreasing debt, and improving credit scores. Credit Manager 4©, HCL's online loan management database, is used to maintain borrower loan files. The online systems are password protected and only HCA's HUD-certified counselors and management staff have access to the information.
- **Hard Copy Files.** A central file for each client/borrower is used to store hard copy case management and loan documents as well as personal financial records such as bank statements, pay stubs, credit reports, match savings participant forms, and loan underwriting worksheets and executed promissory notes. Files are stored in locked file cabinets within HCA offices. All meetings and phone calls with the client/borrower are logged in a communication log. Any letters or correspondence to, or on behalf of, the client/borrower is kept in their confidential file.
- **Client and Education Files.** In accordance with its Quality Control Plan HCA's Program Director performs quarterly reviews of education files and counseling files to check for accuracy and compliance. A Quality Control Form is used to review a random sampling of (5) five counseling files and (1) group education file per office – Honolulu, Hilo, and Anahola. Both hard copy and electronic client files are reviewed. Following the review of education and counseling files, the Program Director meets with each employee to discuss the maintenance of his/her files. Written notice is provided to employees with the Program Director's notes regarding the condition and maintenance of all files. All meeting notices are filed in hard copy binders marked "Quality Control – Counseling Files" & "Quality Control – Education Files" along with completed Quality Control Review Forms indicating the date of file review and the manager who performed the review. A copy of the completed Quality Control Review Forms will be placed in the back of the education or counseling files. This process is followed to adhere to the national industry standards for homeownership and housing professionals and is overseen by the Executive Director to allow for maximum quality assurance of service delivery.
- **Loan Files.** Quality assurance reviews of borrower files are conducted by the Executive Director monthly with support from the Office Manager and prior to reporting borrower payments to the national credit bureaus. Both the HCA and HCL boards are provided quarterly loan portfolio reports for quality assurance of its lending operations.
- **Loan Underwriting and Approval.** Loans are recommended for approval or disapproval through the completion of an Underwriting Worksheet to summarize the relevant financial data and loan qualifications. HCL will recommend the loan for

either approval or disapproval by the Executive Director, when necessary, who may request additional guidance from the Board of Directors.

1. *Underwriting Format.* HCL will utilize the Underwriting Worksheet i. At a minimum, the form must present the amount, purpose, debt ratios, credit history, and a risk rating assigned by HCL.
 2. *Debt Ratio Calculations.* Debt ratios are to be calculated based on gross income and monthly housing and/or debt payments, including the proposed monthly loan payment amount.
 3. *Loan Approval Process.* Loan approvals are to be made within 10 business days of receiving a loan application packet and within 5 business days for Emergency Loan applications. The applicant must be notified of the status of their application immediately thereafter. If approved, HCL will issue a final loan approval letter with instructions to the borrower to execute final loan closing and disbursement. If the loan is disapproved by HCL, the applicant must be notified of the reasons, and the loan denial reported to the HCL Board.
- **Loan Closing.** HCL will provide an Approval Letter that summarizes the terms and conditions of the loan approval for the borrower. This letter is based on the Loan Approval and it should not materially deviate from the terms of that approval. HCL will schedule loan closing date in coordination with the borrower. Prior to the closing date, HCL will discuss with the borrower to coordinate the completion of any funding conditions and/or documents required for closing.
 - **Loan Loss Reserve Allocation.** HCL will post an amount of at least 1% of its total deployed loan capital to the Loan Loss Reserve Fund. Loan loss reserves shall be designated within the Loan Fund's Trust account. The reserve shall be reviewed by the independent auditor annually to determine if the reserve is sufficient to mitigate the risk of the loan portfolio. Loan loss reserves should be compared on an annual basis to the number and total amount of loans written off by HCL in any given year.
 - **Loan Servicing.** HCL is responsible for 1) confirming whether all payments have been received; 2) follow up to ensure payments are accurately recorded by accounting, 3) generating required loan portfolio reports for the commission. All payments received from borrowers shall be applied first to satisfy any outstanding Late Fees, second to Accrued Interest, and finally to reduce Loan Principal. Any discrepancies from amounts due are to be reconciled within 30 days.
 - **Loss Mitigation Plans.** HCL shall first and foremost, attempt to apply standard loss mitigation best practices to any loan that becomes delinquent or has the potential to become delinquent as a result of job loss, or the financial standing of the borrower

causes their total debt ratio to be greater than 60% or other catastrophic event impacting repayment ability of borrower. HCL will contract a HUD-certified housing counseling agency to assist with loss mitigation.

1. May be executed by Executive Director. Curable Reinstatement – One time lump sum payment to repay accrued past due principal and interest. Late fees and penalties may be waived.
 2. May be executed by Executive Director. Curable Repayment Plan – Regular monthly payments plus an additional amount to address past due principal and interest. Late fees and penalties may be waived.
 3. May be executed by Executive Director. Curable Forbearance – Principal and interest payment freeze for up to 6 months due to unemployment. During the 6-month forbearance period, borrower must report monthly on employment, and must work with a third party mediator to develop a repayment plan or loan modification for consideration by HCL.
 4. May be executed by Executive Director. Curable Special Forbearance – Principal and interest payment freeze for up to 12 months due to unemployment for borrowers that are either age 60 or more, a Veteran, or a widower of 2 years or less. During the 12-month forbearance period, borrower must report monthly on employment, and must work with a third party HUD-certified housing counseling agency to develop a repayment plan or loan modification for consideration by HCL.
 5. May be executed by Executive Director. Curable Loan Modification – Interest rate is reduced, late fees and penalties are waived, and loan is re-amortized; or past due principal and interest are combined and scheduled to be paid on the last payment due date of the original loan.
 6. Requires Board/Loan Committee Approval. Principal Reduction – Principal loan forgiveness up to 50% of total outstanding principal loan amount.
 7. Requires Board/Loan Committee Approval. Curable Loan Assumption - Full or partial loan assumption by a financially qualified successor. Assumes terms of loan.
- **Delinquent Loan Servicing.** The best time to reduce delinquencies is as it begins to happen, particularly loans that are 30 days late or less. Respect and compassion are significant to the loan management philosophy of HCL. HCL is expected to treat every borrower with respect and compassion, particularly in the stressful time of a loan delinquency. The goal is to move a delinquent loan back to being a performing loan. HCL shall execute standard servicing of any delinquent loan as follows, wherein all delinquent loan notifications will include a “Borrower Rights” section:

1. *15 Days Late.* On the 15th day of delinquency, HCL, or a contracted HUD-certified housing counseling agency, will call and/or email the borrower to request anticipated payment date from the borrower. HCL will notate the activity on the Activity Log, whether borrower was reached or not.
Goal of contact is a friendly reminder to make payment and to inquire as to the potential need for assistance by HCL or a HUD-certified housing counseling agency.
2. *30 Days Late.* On or before the 30th day of delinquency, HCL, or a contracted HUD-certified housing counseling agency, will call or email the borrower, and mail a standard, written First Late Notice to the borrower that loss mitigation options and assistance may be available and to contact either a HCL staff member or a HUD-certified housing counseling agency, with a copy to the loan file. HCL will notate the activity on the Activity Log, whether borrower was reached or not.

Goal of contact is a friendly reminder to make payment and to inquire as to the potential need for assistance by HCL or a HUD-certified housing counseling agency, or to engage the borrower in Loss Mitigation services to achieve a Delinquent Loan Assessment and a Loss Mitigation Plan for HCL review and if required, Loan Committee approval. If the borrower contacts HCL and has not received HUD-certified Loss Mitigation services, HCL must provide the borrower with the appropriate information on a contracted HUD-certified housing counseling agency.

The HUD-certified housing counseling agency will contact the borrower to enroll them in free loss mitigation, and/or financial education services and schedule a meeting. The goal of the meeting is to arrange a payment, obtain additional information regarding the borrower's financial status and ability to repay the loan, and to assist the borrower in working to mitigate loan delinquency. A Delinquent Loan Assessment will be established, and a Loss Mitigation Plan will be developed according to the current financial situation of the borrower to present potential curable and non- curable loss mitigation options to HCL.

If a Loss Mitigation Plan is finalized with the borrower, it will be presented to HCL for consideration. If the Loss Mitigation Plan requires Loan Committee approval, HCL will schedule a Board/Loan Committee meeting to take action.

The Board/Committee may approve or deny a Loss Mitigation Plan. HCL staff will record actions of the Board/Committee and provide a written copy to the borrower and place a copy in the borrower's file. HCL will implement the actions taken by the Board/Committee immediately.

3. *60 Days Late.* On or before the 60th day of delinquency, HCL will mail a standard written Second Late Notice to the borrower, HCL will formally assign a contracted HUD-certified housing counseling agency to the borrower and provide relevant data on the borrower to the agency to assist HCL in making contact and to begin loss mitigation counseling.

The goal is to produce a Delinquent Loan Assessment and a Loss Mitigation Plan for HCL review and consideration. If the borrower contacts HCL and has not received HUD-certified Loss Mitigation services, HCL must provide the borrower with the appropriate information of a contracted HUD-certified housing counseling agency.

The HUD-certified housing counseling agency will contact the borrower to enroll them in free loss mitigation, and/or financial education services and schedule a meeting. The goal of the meeting is to arrange a payment, obtain additional information regarding the borrower's financial status and ability to repay the loan, and to assist the borrower in working to mitigate loan delinquency. A Delinquent Loan Assessment will be established, and a Loss Mitigation Plan will be developed according to the current financial situation of the borrower to present potential curable and non- curable loss mitigation options to HCL.

If a Loss Mitigation Plan is finalized with the borrower, it will be presented to HCL for consideration. If the Loss Mitigation Plan requires Board/Loan Committee approval, HCL will schedule a Board/Loan Committee meeting to take action.

The Board/Committee may approve or deny a Loss Mitigation Plan. HCL staff will record actions of the Board/Committee and provide a written copy to the borrower and place a copy in the borrower's file. HCL will implement the actions taken by the Board/Committee immediately.

4. *90 Days Late.* On or before the 90th day of delinquency, HCL will issue a demand for payment by certified mail, indicating the principal balance, accrued interest and any late fees and penalties and the reinstatement amount required to bring the loan current. The letter must also indicate that Loss Mitigation options may be available and to contact HCL and/or the contracted HUD-certified counseling agency assigned to the borrower to assist with options, if the loan is not brought current, restructured or modified.

The HUD-certified housing counseling agency will contact the borrower to enroll them in free loss mitigation, and/or financial education services and schedule a meeting. The goal of the meeting is to arrange a payment, obtain additional information regarding the borrower's financial status and ability to repay the loan, and to assist the borrower in working to mitigate loan delinquency. A Delinquent Loan Assessment will be established, and a Loss Mitigation Plan will be

developed according to the current financial situation of the borrower to present potential curable and non- curable loss mitigation options to HCL.

If a Loss Mitigation Plan is finalized with the borrower, it will be presented to HCL for consideration. If the Loss Mitigation Plan requires Board/Loan Committee approval, HCL will schedule a Board/Loan Committee meeting to take action.

The Board/Committee may approve or deny a Loss Mitigation Plan. HCL staff will record actions of the Board/Committee and provide a written copy to the borrower and place a copy in the borrower's file. HCL will implement the actions taken by the Board/Committee immediately.

5. *120 Days or More Late.* Unless a Delinquent Loan Assessment and Loss Mitigation Plan is under way to the satisfaction of HCL, on or before the 120th day of delinquency or thereafter, HCL will issue a demand for payment by certified mail, indicating the principal balance, accrued interest and any late fees and penalties and the reinstatement amount required to bring the loan current. The letter must also indicate that Loss Mitigation options may be available and assistance is available by contacting HCL and/or the contracted HUD-certified housing counseling agency assigned to the borrower, that legal action may be initiated if the loan is not brought current, restructured or modified.

The goal is to produce a Delinquent Loan Assessment and a Loss Mitigation Plan for HCL review and consideration. If the borrower contacts HCL and has not received HUD-certified Loss Mitigation services, HCL must provide the borrower with the appropriate information of the contracted HUD-certified housing counseling agency.

The HUD-certified housing counseling agency will contact the borrower to enroll them in free loss mitigation, and/or financial education services and schedule a meeting. The goal of the meeting is to arrange a payment, obtain additional information regarding the borrower's financial status and ability to repay the loan, and to assist the borrower in working to mitigate loan delinquency. A Delinquent Loan Assessment will be established, and a Loss Mitigation Plan will be developed according to the current financial situation of the borrower to present potential curable and non- curable loss mitigation options to HCL.

If a Loss Mitigation Plan is finalized with the borrower, it will be presented to HCL for consideration. If the Loss Mitigation Plan requires Loan Committee approval, HCL will schedule a Board/Loan Committee meeting to take action. The Board/Committee may approve or deny a Loss Mitigation Plan. HCL staff will record actions of the Board/Committee and provide a written copy to the borrower and place a copy in the borrower's file. HCL will implement the actions taken by the Board/Committee immediately.

6. *150 Days or More Late/Pursuit of Legal Action.* Unless a Delinquent Loan Assessment and Loss Mitigation Plan is under way to the satisfaction of HCL or the borrower is making consistent payments of any amount, repeat activity under item 6 plus include in the certified letter the intention of HCL to pursue Legal Action and indicate the scheduled date of a Meeting with the HCL Board, which can be set no earlier than 30 days from the date of the written notice.
7. *180 Days or More Late/Delinquent Loan Meeting.* Unless a Delinquent Loan Assessment and Loss Mitigation Plan is under way to the satisfaction of HCL or the borrower is making consistent payments of any amount, HCL will Request Legal Action at the HCL Board under item 6 above.

The HCL Board may issue a Decision to approve the request for Legal Action, or to approve or deny a Loss Mitigation Plan or to direct HCL on the disposition of the borrower's loan. HCL will record actions of the Board and provide a written copy to the borrower and place a copy in the borrower's file. HCL will implement the actions taken by the Board immediately.

8. *Loss Mitigation Plans Non-Compliance.* HCL is under no obligation to repeat multiple Loss Mitigation Plans for a single borrower. Should any borrower fail to comply with an approved Loss Mitigation Plan, HCL may at its discretion follow the standard process for loan delinquency servicing described in 1 – 7, or in its sole determination, HCL may accelerate to request a Delinquent Loan Meeting by the Board.
- **Loan Portfolio Management and Reporting.** HCL is responsible for tracking and reporting to the HCL Board, the performance of its Loan Portfolio and Programs in accordance with these policies. On a quarterly basis, HCL will present to the Board the following:
 1. *Capitalization Report.* A report outlining the amount of capital available for lending, including contributions to the loan fund(s) available through equity investments, interest income, and other sources. The report should also outline total loans outstanding and the loan deployment ratio.
 2. *New Loans Report.* A report outlining any new loans made during the reporting period.
 3. *Total Loan Portfolio Report.* A report showing historical total loans and current loans outstanding, current commitments, capital available, total Loan Loss Reserve, YTD loan commitments (number and dollar amount), and interest income. The Portfolio Report also includes aged receivables of loans (30, 60, 90+ days delinquent), loans in workout, collection or facing legal action.

4. *Total Delinquent Loan Portfolio Report.* A report that shows all delinquent loans, borrower names, days past due, loan balance, interest rate, and last payment date. This report will total all delinquent loans by balance and number of loans to express in delinquent percentages.
5. *Legal Action Report by Year.* Annually, a report that lists every legal action executed, by location, including valuation, debt balance, date of action as decided by the HCL Board.
 - A. *Assessment of Sufficiency of Loan Loss Reserve.* At least quarterly, HCL will determine the necessary change, if any, to the Loan Loss Reserve to accommodate the delinquent payment status of borrowers, and any changes in the risk profile of the portfolio, that are identified by periodic portfolio reviews. HCL will recommend changes and seek approval from the Board for any changes to the Loan Loss Reserve.
 - B. *Liquidity Reserve.* HCL may maintain a separate loan capital cash reserve in the amount of 10% of the gross loans outstanding. This reserve shall be used for loan restructuring, refinancing existing loans and other loan-fund related cash requirements.

4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.

HCA and HCL will deem HELP successful if the following outcomes are met by June 30, 2019:

- 200 Hawaii families are enrolled in HELP and receive financial education
- 2 partner trainings are conducted
- \$300,000 in loan capital is deployed
- 550 children and adults secure or sustain affordable housing to prevent homelessness

The following staff are referenced in the section below:

- Financial Trainer = FT
- Community Services Assistant = CSA
- Community Services Specialist = CSS
- Program Coordinator = PC
- Loan Officer = LO
- Office Manager = OM
- Program Director = PD

- Executive Director = ED

200 Hawaii families are enrolled in HELP and receive financial education. Participant enrollment will be tracked via Emergency Loan applications submitted by potential borrowers. Loan applications will be uploaded by CSAs to HCA and HCL's shared CounselorMax (CMAX) client management system for reporting.

Financial counseling sessions will be tracked via hard copy counseling forms completed by CSSs/PCs. CSSs/PCs will maintain forms in hardcopy files and electronic files via CMAX. Counseling sessions will be logged in CMAX for reporting. Quarterly quality reviews of client files by the PD will provide quality assurance that counseling sessions were conducted by CSSs/PCs with HELP participants.

Participant attendance at financial education workshops will be tracked via hard copy sign-in sheets. FTs will submit workshop training reports with sign-in sheets to the CSAs to verify participant attendance. Confirmation of attendance will be logged in CMAX by the CSA. CSA will then submit to PD for a quality review and for distribution of workshop participant contact information to CSSs/PCs to schedule follow up counseling sessions. Quarterly quality reviews of education files by the PD will provide quality assurance that workshops were delivered by FTs and completed by participants.

\$300,000 in loan capital will be deployed via Emergency Loans administered by HCL. The LO will input loan information in the organization's Credit Manager 4© system for tracking of deployed capital. Loan disbursement forms will be submitted by the LO to the OM for processing, recordation, and filing. Loan reports and portfolio information will be sent by the LO to the ED who will reviewed with the HCA and HCL boards at quarterly meetings.

550 children and adults, experiencing or at-risk of homelessness, will secure or sustain affordable housing. Participants who obtain rentals, stop eviction, or prevent foreclosures will be tracked via executed lease agreements, and/or other documentation verifying permanent housing was secured or sustained. Documentation will be filed by CSSs/PCs in hard copy counseling files and logged for "case resolution" in CMAX. PD will verify participants have successfully secured or sustained affordable housing during quarterly quality reviews of counseling files.

All progress on the aforementioned measures will be reported to the Homeless Program Office at the Department of Human Services as HCA's sponsoring agency for the project. More information regarding this sponsorship can be directed to HPO Director, Harold Brackeen III at 808.587.7072 or HBrackeenIII@dhs.hawaii.gov.

III. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
 - a. Budget request by source of funds ([Link](#))
 - b. Personnel salaries and wages ([Link](#))
 - c. Equipment and motor vehicles ([Link](#))
 - d. Capital project details ([Link](#))
 - e. Government contracts, grants, and grants in aid ([Link](#))

HCA has attached the applicable budget forms requested.

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2019.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$291,450	\$16,450	\$16,450	\$16,450	\$340,800

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2019.

HCA plans to apply for other sources of funding to support the organization that may partially assist with financial education in the proposed project.

For HELP specifically, HCA and HCL will seek to leverage the State Legislature’s Grant-in-Aid investment in the revolving HELP loan fund with both public and private funds. State Grant-in-Aid funds would provide the required non-Federal matching funds needed to access US Department of Treasury and First Nations/Oweesta funds listed.

Source	Description	Amount	Funding Dates
US Department of Treasury	Grant loan capital for expanded access to Emergency Loans to 180 Hawaii families experiencing or at-risk of homelessness	\$275,000	10/1/18 award
First Nations/Oweesta	Patient loan capital for expanded access to Emergency Loans to 115 Hawaii families experiencing or at-risk of homelessness	\$175,000	10/1/18 award
Local Initiative Support Corporation	Hire 1 full-time staff to manage HCA's Financial Opportunity Center in Hilo providing one-stop services for affordable housing and jobs	\$75,000	10/1/18-9/30/19
Department of Housing and Urban Development	Serve 200 rural Hawaii residents with financial education and housing counseling to increase their capacity to rent or own homes	\$65,000	4/1/18-3/31/19
County of Hawaii	Serve 1000 County residents with financial education, counseling, and asset building programs to increase their economic self-sufficiency through access to education, housing, jobs, and small business development services	\$300,000	4/1/18-3/31/21
County of Maui	Serve 100 homeless persons with renter education, housing counseling, and asset building program to increase their capacity to rent or own homes	\$59,184	10/1/18-9/30/19
County of Kauai	Serve 80 low and moderate income first-time homebuyers with homebuyer education, counseling, and debt consolidation loans	\$169,250	10/1/18-9/30/19
City and County of Honolulu	Serve 400 homeless persons with renter education, housing counseling, and asset building program to increase their capacity to rent or own homes	\$124,945	10/1/18-9/30/19
Corporation for National and Community Service	Recruit, train, and place 14 AmeriCorps VISTA members to support HCA and other nonprofits through capacity building activities	\$300,000	5/1/18-4/30/19
Hawaii Commission for National and Community Service	Recruit, train, and place 16 AmeriCorps State member within HCA to support the delivery of HUD-certified financial education, housing counseling, and asset building programs	\$100,000	10/1/18-9/30/19

4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

Not applicable; HCA has never received federal tax credits.

5. The applicant shall provide a listing of all federal, state, and county government contracts, grants, and grants in aid it has been granted within the prior three years and will be receiving for fiscal year 2019 for program funding.

HCA received \$125,000 in funding for loan capital in 2015-17 from the Office of Hawaiian Affairs to and was awarded \$200,000 in funds from Aloha United Way in January 2018 to create the HELP revolving loan fund, including grant funds for Emergency Loan capital and financial education. Staffing, occupancy, and costs of managing the loan fund through HCL have been covered in part with interest and fees generated through the revolving loan fund. As well as a fee-for-service contract with Justine Petersen, a CDFI in the Continental United States. Additionally, in previous years, funding from the Hawaii Commission for National and Community Services has supported staffing of Community Services Assistants and Financial Trainers to support the program. Please find the table on the following page for more information and a list of Government Contracts, Grants, and/or Grant-in-Aids specifically for the loan program.

Previous 3 Years			
Source	Description	Amount	Funding Dates
Office of Hawaiian Affairs	2-year grant for loan capital for credit builder and credit repair loans as well as financial education, counseling, and match savings accounts to assist Native Hawaiians increase their capacity to rent or own homes	\$530,118 <i>(\$125,000 of total for loan capital in to revolving fund)</i>	7/1/15-6/30/17
Hawaii Community Lending	Loan interest and fees generated to support personnel, occupancy, supplies, and other loan program costs	\$16,507	11/1/14-Present
Justine Petersen	Loan packaging fee-for-service contract to assist with origination of small dollar loans	\$260	7/1/17-9/30/17
HI Commission for National & Community Services	Staffing for Community Services Assistants and Financial Trainers to support delivery of financial education for loan fund	\$35,000	10/1/16-9/30/17
Fiscal Year 2019			
Source	Description	Amount	Funding Dates
Aloha United Way	2-year grant for loan capital for Emergency Loans and delivery of financial education through HELP	\$200,000 <i>(\$150,000 of total for loan capital)</i>	1/1/18-12/31/19
Hawaii Community Lending	Loan interest and fees generated to support personnel, occupancy, supplies, and other loan program costs	\$43,500 <i>(Projected)</i>	10/1/17-12/31/19
Justine Petersen	Loan packaging fee-for-service contracts to assist with origination of small dollar loans	\$16,488 <i>(Projected)</i>	10/1/17-12/31/19
HI Commission for National & Community Services	Staffing for Community Services Assistants and Financial Trainers to support delivery of financial education for loan fund. Automatic annual contract renewal 10/1/18	\$35,000 <i>(\$17,500 per fiscal year for loan program)</i>	10/1/17-9/30/19

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2017.

The balance of HCA's unrestricted current assets as of December 31, 2017 was \$26,205.

IV. Experience and Capability

1. **Necessary Skills and Experience**

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

HCA staff dedicated to the HELP project have a combined 96 years of experience related to the project proposal, specifically in the supervision of staff, delivery of HUD-certified financial education and housing counseling, and administration of micro-loans. HCA is Hawaii's largest HUD-certified housing counseling agency and the only such agency with a small dollar loan program.

HCL is a Department of Treasury certified Community Development Financial Institution and wholly-owned nonprofit subsidiary of HCA. HCL staff have a combined 40 years of experience in community finance and micro-lending as related to this proposed project. HCL is Hawaii's only statewide CDFI that specializes on small dollar loans for local workers and families experiencing or at-risk of homelessness.

Both HCA and HCL Board members possess professional skills critical to implementation and oversight of the organization's programs, including law, real estate, loan fund management, mortgage financing, small business ownership, insurance, financial planning, nonprofit and community development, and policy making.

The following grants related to implementation of HCA's implementation of its revolving loan fund through HCL over the last 3 years, further demonstrating the organization possesses the necessary skills and expertise to implement the proposed project:

Contract Title: Increasing Economic Self-Sufficiency of Native Hawaiians through Stable Housing

Contract Agency: Office of Hawaiian Affairs

Contact Person: Keith Yabusaki

Address: 560 N Nimitz Highway, Suite 200, Honolulu, HI 96817

Contact Information: 808-594-1983, keithy@oha.org

Contract Period: July 1, 2015 – June 30, 2017

Funding Amount: \$530,118

Performance Outcomes: During the contract period, HCA achieved the following outcomes:

- \$125,000 in loan capital deployed to 71 borrowers
- \$200,000 in match funds disbursed to 100 participants for first month's rent/deposit and past due mortgage payments
- 1099 low-income Native Hawaiians enrolled in services
- 690 low-income Native Hawaiians served with financial education, housing counseling, match savings, and microloans
- 47% of Native Hawaiians served increased their financial capacity to rent or own homes (i.e. increased income/savings, decreased derogatory debt, improved credit)
- 129 Native Hawaiian families secured or sustained affordable housing

Contract Title: Building Stability in Housing Project

Contract Agency: Office of Hawaiian Affairs

Contact Person: Keith Yabusaki

Address: 560 N Nimitz Highway, Suite 200, Honolulu, HI 96817

Contact Information: 808-594-1983, keithy@oha.org

Contract Period: August 1, 2017 – July 31, 2019

Funding Amount: \$470,000

Performance Outcomes: During the contract period, HCA has achieved the following outcomes to-date as of November 30, 2017:

- \$20,350 in loan capital has been deployed to 11 borrowers
- \$0 in match funds have been disbursed to participants for first month's rent/deposit or down payment/closing costs
- 222 of 1000 low- and moderate-income Native Hawaiians have enrolled in services
- 138 of 1000 low- and moderate-income Native Hawaiians have been served with financial education, housing counseling, match savings, and microloans
- 4% of Native Hawaiians served have increased their financial capacity to rent or own homes (i.e. increased income/savings, decreased derogatory debt, improved credit)
- 1 Native Hawaiian family has secured or sustained affordable housing

Contract Title: Hawaiian Community Assets – AmeriCorps State

Contract Agency: Hawaii Commission for National and Community Service

Contact Person: Reynold Lee

Address: 1601 East West Road JAB 4019, Honolulu, HI 96848

Contact Information: 808-956-8145, leereyno@hawaii.edu

Contract Period: October 1, 2015 – September 30, 2017

Funding Amount: \$156,779 (including \$84,162 funding for FY2018)

Performance Outcomes: During the contract period, HCA has achieved the following outcomes:

- 15 AmeriCorps members recruited, trained, and placed
- \$25,356 in end-of-service education awards disbursed
- 818 low income children and adults served with financial education

- 139 low income children and adults assisted in securing and sustaining affordable housing

2. **Facilities**

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities.

Loans and financial education will be administered through HCA's statewide offices as well as remote office locations at the following sites:

Oahu

- Hawaiian Community Assets, 200 N Vineyard Boulevard, Suite A300, Honolulu, 96817
- Council for Native Hawaiian Advancement, 2149 Lauwiliwili Street, Suite 200, Kapolei, 96707
- Hale Makana O Nanakuli, 89-102 Farrington Highway Waianae HI, 96792
- Ohana Kakoo Resource Center, 85-888 Farrington Highway, Waianae, HI 96792

Hawaii

- Hawaiian Community Assets, 1315 Kalaniana'ole Avenue, Hilo, HI 96720
- Laiopua 2020, 74-5599 Luhia Street, Suite #E5, Kailua-Kona, HI 96740

Kauai

- Hawaiian Community Assets, 4525 Ioane Road, Anahola, HI 96703

Maui

- Friends of Mokuula, 505 Front Street, Suite #221, Lahaina, HI 96761
- Catholic Charities Hawaii, 2050 Main Street, Suite 3A, Wailuku, HI 96793

Molokai

- Office of Hawaiian Affairs, Kaunakakai, HI 96748

Lanai

- Office of Hawaiian Affairs, 853 Fraser Ave # B, Lanai City, HI 96763

All HCA offices and remote sites are equipped with adequate office supplies and machines needed to successfully support the project. Adequate refers to office space and tools including office furniture, computer access, internet and computer program access and comfortable space to operate. Additionally all sites have site supervisors and office policies and procedures in place to support personnel.

In addition, HCL will administer a statewide call center and, when necessary, financial education will be provided remotely via Skype and phone to ensure disbursement of emergency loan funds within 5 business days of loan application.

V. Personnel: Project Organization and Staffing

1. Proposed Staffing, Staff Qualifications, Supervision and Training

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

HCA and HCL will dedicate 3.45 full-time staff equivalent (FTE) to the HELP project.

AmeriCorps State members, specifically Community Services Assistants and Financial Trainers, represent 1.25 FTE. Program management and delivery, including training and referrals to partner organizations and institutions, will be provided by 1.0 FTE Loan Officer. Another 1.0 FTE in combined Community Services Specialists and Program Coordinators time is projected. Program Coordinators will supervise Financial Trainers and Community Services Assistants as well as the deliver counseling. Community Services Specialists will dedicate their time solely to the delivery of financial counseling.

0.20 FTE senior management staff – Executive Director, Office Manager, and Program Director - will be dedicated to administration, quality control, fund management, and oversight including reporting, accounting and project oversight.

State GIA funds will support the Loan Officer with interest and fees generated through the revolving loan fund covering the position after the completion of the project period.

All other staff, including overhead costs, will be supported with funds secured through Office of Hawaiian Affairs, Aloha United Way, and the Hawaii Commission for National and Community Services.

Other earned revenue, including from a fee-for-service contract with Justine Petersen and interest/fees from HCL, will be used to support additional program costs to administer the HELP revolving loan fund.

The following staff will conduct activities relevant to the proposed project:

Executive Director, Jeff Gilbreath (.05 FTE) will be responsible for:

- Provide overall project oversight
- Fiscal management of grant funds
- Loan fund management
- Securing partnerships and funding to expand HELP

Office Manager, Rona Kahoonei (.10 FTE) will be responsible for:

- Loan servicing

- Management of project activities related to fiscal and accounting management
- Assist with grant reporting

Program Director, Lahela Williams (.05 FTE) will be responsible for:

- Overall program support
- Quality control of HUD-certified financial education and counseling
- Assist with project reporting

Loan Officer, Mahealani Meheula, (1 FTE) will be responsible for:

- Overall program management
- Training of partner organization and institution staff
- Loan processing, underwriting, approval, and origination
- Data collection and program evaluation
- Grant reporting and management
- Managing community partnerships
- Assist with program evaluation and quality control

Program Coordinators, Rosalee Puaoi, Lehua I, Kelly Lincoln, and Kaleio Caminos (.50 FTE)

- Day to day supervision of Community Services Assistants, Financial Trainers and Community Services Specialists
- Reviewing and approval of timesheets, reporting and personnel documentation
- Staff training and development
- Coordinating financial education workshops
- Delivering financial and housing counseling
- Data entry in CMAX
- Conducting case management, including referral to additional services to support housing stability

Community Services Specialists, Vicki Paresa and Joyce Davis (.50 FTE) will be responsible for:

- Delivering financial and housing counseling
- Data entry in CMAX
- Conducting case management, including referral to additional services to support housing stability

Financial Trainers, Debbie Waihee, Celia Conol, Angela Lopes, Tomilyn X, (AmeriCorps State) (.25 FTE) will be responsible for:

- Conducting public education/community outreach to promote HELP services and products
- Deliver financial education workshops using HCA's Kahua Waiwai© curriculum

Community Services Assistants, Seliena Costodio, Chanelle Hunter, Penny Tukimaka, (AmeriCorps State) (1 FTE x 4 assistants) will be responsible for:

- Processing Emergency Loan applications and client intake packets for enrollment of HELP participants into HCA's services and products
- Date entry and education/client file maintenance

Qualifications and experience of HCA staff dedicated to the project have been listed below:

Staff/Position	Years of Experience Related to Project Proposal	Other Related Qualifications
Jeff Gilbreath/ Executive Director	<ul style="list-style-type: none"> • 17 years 	<ul style="list-style-type: none"> • CDFI Loan Capitalization and Loan Fund Management • Loan Servicing • NeighborWorks America Trainer • Financial Education • HUD Compliance
Rona Kahoonei/ Office Manager	<ul style="list-style-type: none"> • 10 years 	<ul style="list-style-type: none"> • Quickbooks • Financial Product Management • Loan Servicing
Lahela Williams/ Program Director	<ul style="list-style-type: none"> • 13 years 	<ul style="list-style-type: none"> • Rental Counseling • Homeownership Counseling • Homebuyer Education • Financial Education • Financial Services • Loan Servicing • Loan Fund Management • Grants Management and Reporting • Quality Control • HUD Compliance
Mahealani Meheula/ Loan Officer	<ul style="list-style-type: none"> • 13 years 	<ul style="list-style-type: none"> • USDA 502 Direct Loan Packaging • Justine Petersen Loan Packaging • Rental Counseling • Homeless Services • Homeownership Counseling • Financial Capability Counseling • Mortgage Loan Origination/Processing • Escrow/Title
Rosalee Puaoi/ Program	<ul style="list-style-type: none"> • 17 years 	<ul style="list-style-type: none"> • Rental Counseling • Homeownership Counseling

Coordinator		<ul style="list-style-type: none"> • Homebuyer Education • Financial Education • AmeriCorps & Staff Supervision • Loan Fund Management • Justine Petersen Loan Packaging
Kelly Lincoln/ Program Coordinator	<ul style="list-style-type: none"> • 10 years 	<ul style="list-style-type: none"> • Rental Counseling • Homeownership Counseling • Homebuyer Education • Financial Education • AmeriCorps & Staff Supervision
Kaleio Caminos/ Program Coordinator	<ul style="list-style-type: none"> • 6 years 	<ul style="list-style-type: none"> • Rental Counseling • Homeownership Counseling • Homebuyer Education • Financial Education • Financial Services • Business Management – 16 years of experience • AmeriCorps Supervision
Lehua I/ Program Coordinator	<ul style="list-style-type: none"> • 3 years 	<ul style="list-style-type: none"> • Financial Education • AmeriCorps Supervision • Client Intake/Processing
Vicki Paresa/ Community Services Specialist	<ul style="list-style-type: none"> • 13 years 	<ul style="list-style-type: none"> • Financial Capability Counseling • Financial Education • Justine Petersen Loan Packaging • Homeless Services • Financial Management • Homeless and Affordable Housing Shelter Management
Joyce Davis/ Community Services Specialist	<ul style="list-style-type: none"> • 4 years 	<ul style="list-style-type: none"> • Homeownership Counseling • Financial Capability Counseling • Financial Education • Justine Petersen Loan Packaging

AmeriCorps State members serve in entry-level positions and are required to complete an HCA on-the-job training program and financial trainer certification course in order to serve with the organization

2. Organization Chart

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organization chart that illustrates the placement of this request.

HCA has attached its Organization Chart, including HCL, to illustrate position of each staff and line of responsibility/supervision for the proposed grant project. In addition, a MOU between HCA and HCL Board of Directors has been attached to illustrate the staffing partnership between the two organizations that will continue to be in place during this project.

3. Compensation

The applicant shall provide the annual salaries paid by the applicant to the three highest paid officers, directors, or employees of the organization by position.

Employee	Title	Annual Salary
Jeff Gilbreath	Executive Director	\$70,000
Lahela Williams	Program Director	\$60,000
Rona Kahoonei	Office Manager	\$50,000

VI. Other

1. Litigation

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement. If applicable, please explain.

HCA has no pending litigation to which it is a party.

2. Licensure or Accreditation

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that the applicant possesses relevant to this request.

HCA is a HUD-certified housing counseling agency as evidenced at www.HUD.gov/hawaii and is compliant with the National Industry Standards for Homeownership Professionals.

HCL is a Department of Treasury certified Community Development Financial Institution as evidenced at <https://www.cdfifund.gov/Documents/CDFI%20List%2011-30-2017.xlsx>.

3. **Private Educational Institutions**

The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution. Please see Article X, Section 1, of the State Constitution for the relevance of this question.

The grant will not be used to support or benefit a sectarian or non-sectarian private educational institution.

4. **Future Sustainability Plan**

The applicant shall provide a plan for sustaining after fiscal year 2018-19 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2018-19, but
- (b) Not received by the applicant thereafter.

If HCA receives its proposed funds during fiscal year 2018-19, the organization will implement HELP activities to expand statewide access to Emergency Loans over a 12-month period beginning in July 2018. Following the fiscal year, HCA will sustain activities with revenue generated from interest and fees realized through the HELP revolving loan fund. In addition, HCA will utilize loan packaging fees from its Justine Petersen loan packaging contract and existing, multi-year Hawaii Commission for National and Community Services grant, to support HELP as necessary. All earned revenue will go to provide the non-Federal match requirements for US Department of Treasury and First Nations/Oweesta funding that will be sought to increase the total loan capital available through HELP to \$1 million by January 2019.

5. **Certificate of Good Standing (If the Applicant is an Organization)**

If the applicant is an organization, the applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2017.

HCA's Certificate of Good Standing has been attached.

6. **Declaration Statement**

The applicant shall submit a declaration statement affirming its compliance with Section 42F-103, Hawaii Revised Statutes. ([Link](#))

HCA declares its compliance with Section 42F-103, Hawaii Revised Statutes. More specifically, HCA declares:

- (1) It is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
- (2) It will comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
- (3) It agrees not to use state funds for entertainment or lobbying activities; and
- (4) It will allow the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant or subsidy.

In addition, HCA declares:

- (1) It is incorporated under the laws of the State; and
- (2) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.

Further, HCA declares:

- (1) It has been determined and designated to be a nonprofit organization by the Internal Revenue Service; and
- (2) It has a governing board whose members have no material conflict of interest and serve without compensation.

7. **Public Purpose**

The applicant shall specify whether the grant will be used for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes. ([Link](#))

HCA confirms that Grant-in-Aid funds will be used for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes. More specifically:

- (1) The name of the requesting organization is Hawaiian Community Assets, Inc.
- (2) The public purpose for the grant is to provide Emergency Loans for rent/mortgage assistance and financial education to Hawaii families, experiencing or at-risk of homelessness.
- (3) The services supported by the grant include training, community outreach, loans, and financial education and case management.

- (4) The target group for the project is Hawaii families experiencing or at-risk of homelessness.
- (5) The cost of the grant and the budget totals \$340,800 to be leveraged with \$402,488 of secured funds and with the potential of leveraging an additional \$450,000 in funds from the US Department of Treasury and First Nations/Oweesta.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2018 to June 30, 2019

Applicant: Hawaiian Community Assets, Inc.

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Secured (b)	Total State Funds Secured (c)	Total Private/Other Funds Secured (d)
A. PERSONNEL COST				
1. Salaries	50,000	17,500		56,000
2. Payroll Taxes & Assessments	3,850			4,312
3. Fringe Benefits	11,950			13,384
TOTAL PERSONNEL COST	65,800	17,500		73,696
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				1,080
2. Insurance				2,043
3. Lease/Rental of Equipment				1,389
4. Lease/Rental of Space				8,807
5. Staff Training				
6. Supplies				327
7. Telecommunication				2,752
8. Utilities				4,291
9. Revolving Loan Capital	275,000		125,000	150,000
10. Loan Loss Reserves				1,500
11. Credit Reports				6,240
12. Professional Services				5,271
13. Loan Management Software				1,920
14. ACH Automatic Payment System				672
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	275,000		125,000	186,292
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	340,800	17,500	125,000	259,988
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	340,800	Jeff Gilbreath	808.587.7653	
(b) Total Federal Funds Secured	17,500		Phone	
(c) Total State Funds Secured	125,000			1/18/2018
(d) Total Private/Other Funds Secured	259,988			Date
TOTAL BUDGET	743,288	Jeff Gilbreath/Executive Director Name and Title (Please type or print)		

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2018 to June 30, 2019

Applicant: Hawaiian Community Assets, Inc.

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Loan Officer	1	\$50,000.00	100.00%	\$ 50,000.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
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TOTAL:				50,000.00
JUSTIFICATION/COMMENTS:				
HCA will employ 1 full-time Loan Fund Manager at \$50,000 annual salary to manage the project and deployment of \$450,000 in revolving loan capital.				

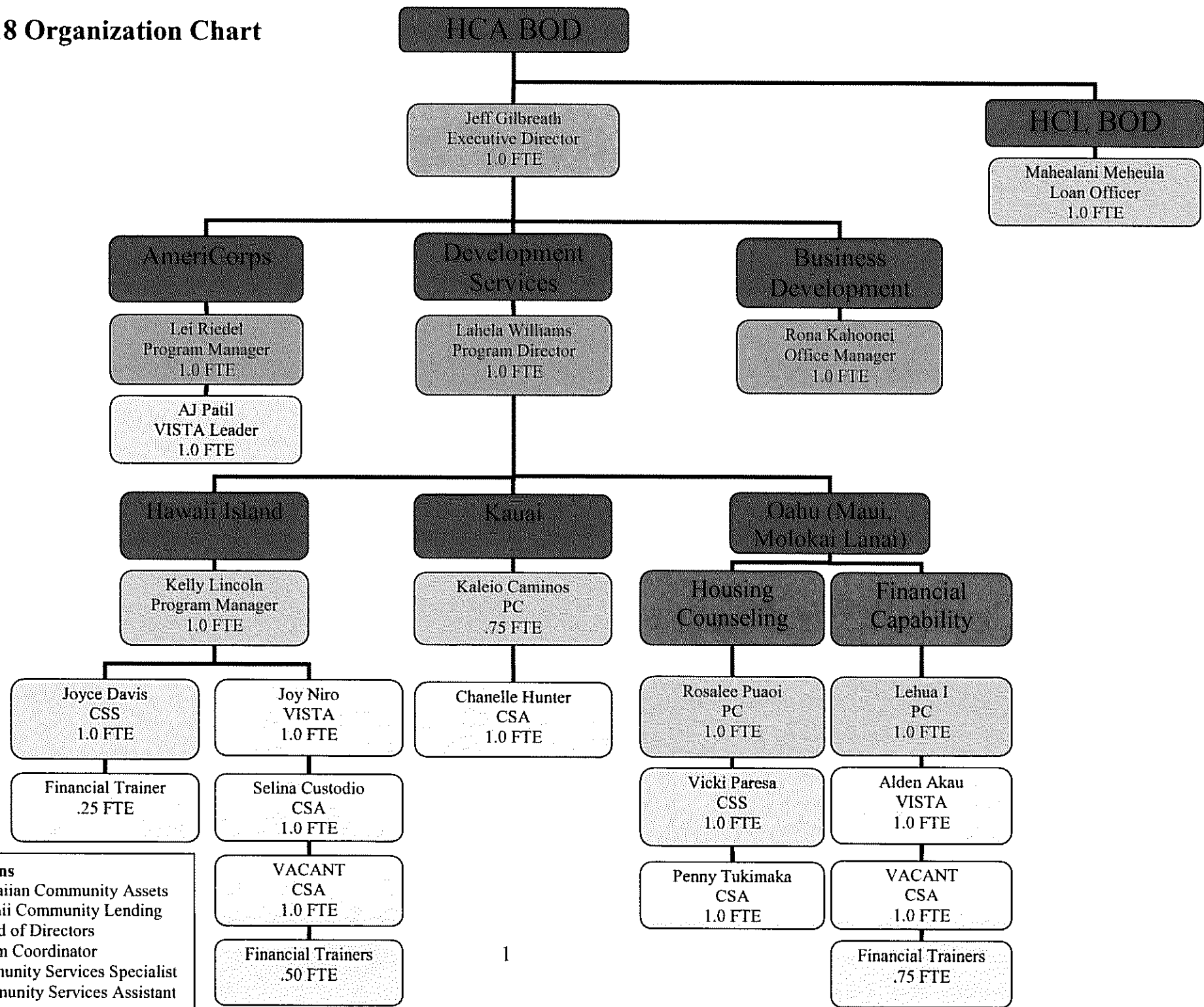
GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

Applicant: Hawaiian Community Assets, Inc.

Contracts Total: 600,118

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1	Financial Education & Loan Capital for Microloans	7/1/15-6/30/17	OHA	State	530,118
2	AmeriCorps State Members	10/1/17-9/30/18	HI Comm for Nat'l Comm Srv	US	70,000
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FY2018 Organization Chart



Abbreviations

- HCA – Hawaiian Community Assets
- HCL – Hawaii Community Lending
- BOD – Board of Directors
- PC – Program Coordinator
- CSS – Community Services Specialist
- CSA – Community Services Assistant



MEMORANDUM OF AGREEMENT

THIS AGREEMENT, made and entered into by and between Hawaiian Community Assets, a 501(c)(3) nonprofit organization whose principal address is 200 North Vineyard Boulevard, Suite A300, Honolulu, Hawaii 96817 (hereinafter known as "HCA") and Hawaii Community Lending, a nonprofit community development financial institution whose principal address is 200 North Vineyard Boulevard, Suite A300, Honolulu, Hawaii 96817 (hereinafter known as "HCL") do agree as follows;

WITNESSETH:

WHEREAS, HCA was created to assist low and moderate income individuals and families with a particular focus on Native Hawaiians to achieve economic self-sufficiency using permanent housing, culturally-relevant financial education, and asset building programs as its vehicle; and

WHEREAS, HCA has achieved its mission and success by delivering financial education, housing counseling, and match savings accounts; and



WHEREAS, HCL was created as a nonprofit community development financial institution by HCA to increase access to credit and capital for low-income Native Hawaiians residing in Hawaii;

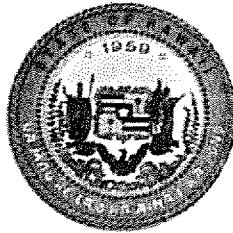
WHEREAS, HCL provides culturally-relevant financial products and lending programs to build the economic self-sufficiency and housing stability of Native Hawaiians;

NOW, THEREFORE, HCA and HCL, in consideration of the mutual benefit hereinafter set forth, hereby agree as follows:

1. HCA agrees to provide:
 - a. HCL borrowers with free, culturally-relevant financial literacy education, housing counseling, and loan application and servicing; and
 - b. In-kind office space, utilities, telecommunications, and program expenses for HCL staff; and
 - c. Accounting and bookkeeping services for HCL.
2. HCL agrees to provide:
 - a. HCA clients with financial products to build/improve credit and secure/sustain housing and economic goals; and
 - b. Services as a financial institution partner to support HCA's mission.
3. HCA and HCL agree to enter into this agreement at no additional cost to either organization.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed the day and year as written below.

	Hawaiian Community Assets, Inc.
Date <u>11/25/2014</u>	By 
	Title <u>Board President</u>
	Hawaii Community Lending, Inc.,
Date <u>11/25/2014</u>	By 
	Title <u>Board President</u>



STATE OF HAWAII
STATE PROCUREMENT OFFICE

CERTIFICATE OF VENDOR COMPLIANCE

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs

Vendor Name: HAWAIIAN COMMUNITY ASSETS, INC.*

DBA/Trade Name: HAWAIIAN COMMUNITY ASSETS, INC.*

Issue Date: 01/12/2018

Status: Compliant

Hawaii Tax#: [REDACTED]

New Hawaii Tax#: [REDACTED]

FEIN/SSN#: [REDACTED]

UI#: [REDACTED]

DCCA FILE#: 117704

Status of Compliance for this Vendor on issue date:

Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
	Internal Revenue Service	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Exempt
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

Status Legend:

Status	Description
Exempt	The entity is exempt from this requirement
Compliant	The entity is compliant with this requirement or the entity is in agreement with agency and actively working towards compliance
Pending	The entity is compliant with DLIR requirement
Submitted	The entity has applied for the certificate but it is awaiting approval
Not Compliant	The entity is not in compliance with the requirement and should contact the issuing agency for more information

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
 - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Hawaiian Community Assets, Inc.

(Typed Name of Individual or Organization)



1/18/18

(Date)

Jeff Gilbreath

(Typed Name)

Executive Director

(Title)