

C. The following to be completed by the DEP program Applicant and Co-DEP buyer, if any who is purchasing an affordable unit with the applicant named in section A above.

ELIGIBILITY REQUIREMENTS		APPLICANT (A)	Co-DEP buyer, if any
1)	Do you own any real property? If YES you are ineligible for the DEP program.	Y <input type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>
2)	Are you receiving gift funds?	Y <input type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>
3)	Are you currently working in a profession facing a shortage? If YES, check your profession →	Y <input type="checkbox"/> N <input type="checkbox"/> <input type="checkbox"/> HEALTHCARE <input type="checkbox"/> EDUCATION <input type="checkbox"/> LAW ENFORCEMENT <input type="checkbox"/> AGRICULTURAL FIELD WORKER	Y <input type="checkbox"/> N <input type="checkbox"/> <input type="checkbox"/> HEALTHCARE <input type="checkbox"/> EDUCATION <input type="checkbox"/> LAW ENFORCEMENT <input type="checkbox"/> AGRICULTURAL FIELD WORKER
4)	What is your official title? <i>If not included on your paystub, complete and attach the DEP Verification of Employment form at the end of this DEP Affidavit.</i>		

D. The Applicant submits this affidavit to purchase an affordable unit offered under HHFDC's DEP Program as set forth in Chapter 15-309, HAR and agree to the following requirements:

1. If approved, I may select a unit within my prequalified loan amount, including the corporation's equity.
2. The corporation may purchase equity in for-sale housing development projects. The corporation's equity shall be allocated to specific units within the project. The price to be paid by each eligible buyer of a unit shall be reduced by the corporation's equity amount for that unit.
 - a. **Corporation's equity** means the difference between the original cost of the unit and the price of the unit paid by the qualified purchaser.
 - b. **Eligible buyer** means an applicant who: (1) owns no other real property; (2) receives no gift funds for purchase of the unit; (3) works in a profession that is facing a shortage as determined by the corporation, including health care workers, educators, law enforcement officers, staff at correctional facilities, and agricultural field workers; and if applicable, (4) meets the eligibility requirements set forth in section 15-308-22, HAR.
3. The corporation may charge an interest rate on the corporation's equity which shall be stated in the agreement with the qualified purchaser.
 - a. **Interest rate** means the fixed rate charged on the corporation's equity at one per cent per year, unless otherwise indicated in the qualified purchaser's program agreement.
 - b. **Qualified purchaser** means an eligible buyer who meets the criteria of the program for which an affidavit is submitted and has entered into a purchase contract and program agreement.

4. The qualified purchaser shall pay a percentage share of the corporation's equity amount.
 - a. Corporation's equity percentage share means the percentage determined as: the corporation's equity divided by the value (fair market value by appraisal), excluding any options or upgrades, and established prior to closing the purchase of the unit, rounded to the nearest one per cent.
5. The qualified purchaser shall repay the corporation's equity, accrued interest, if any and the corporation's equity percentage share upon the earliest of the following:
 - a. At any time after financial closing of the purchased unit at the qualified purchaser's option;
 - b. Upon sale, transfer of title, refinance or additional financing, non-owner occupancy, rental of any part of the unit, or failure to reoccupy the unit at the end of a temporary waiver period; or
 - c. Prior to expiration of the 30th year from the qualified purchaser's date of closing the purchased unit.
6. Payments made shall be applied in the following order of priority:
 - a. Accrued interest;
 - b. Corporation's equity percentage share, if any; and
 - c. Corporation's equity.
7. Payments not paid when due shall be subject to additional interest on the corporation's equity share at the simple annual rate of 10% per year until paid. The corporation reserves the right to pursue all legal remedies to recapture the funds awarded or other actions deemed necessary.
8. Payment of the corporation's equity, interest and equity share, if any shall be the sum of the following. Refer to the attached sample computation worksheet for an illustration.
 - a. The corporation's equity plus simple interest at the rate specified in the purchaser's program agreement; and
 - b. The net appreciation on the corporation's equity calculated as the current value of the unit, minus the original value of the unit and multiplied by the corporation's equity percentage share, as specified in the purchaser's program agreement.
9. I will maintain the eligibility requirements of the DEP program through the closing of the purchase and will update the affidavit approximately 180-days prior to closing the purchase and/or as requested by the HHFDC in its sole discretion ("recertification").
 - a. If recertification is approved, the qualified purchaser shall execute the corporation's program agreement to timely close on unit purchased.
 - b. If recertification is disapproved, this affidavit will be automatically null and void, unless the co-buyer, if any, is an eligible buyer under the DEP program and will be the primary applicant.
 - c. If elected, continued purchase as a qualified resident under Chapter 201H, HRS may be permitted at the developer's sales price, subject to the developer and the corporation's review and approval. If approved, an amendment to the contract will be required (without 30-day rescission).

E. I, the Applicant under the DEP program Affidavit, being first duly sworn on oath, hereby deposes and says:

1. The information in and attached to this affidavit are true and supports my participation in the DEP program.
2. I am an “eligible buyer” as defined in section 15-309-2, Hawaii Administrative Rules (“HAR”) and meet all of the following requirements:
 - a. I do not own any real property;
 - b. I have not and am not receiving any gift funds for purchase of a unit in the Project; and
 - c. I work in a profession that is facing a shortage determined and defined by the Hawaii Housing Finance and Development Corporation (“HHFDC” or “Corporation”) including healthcare, education, law enforcement and agricultural field workers.
3. I am a “qualified resident” as defined in section 201H-32, Hawaii Revised Statutes (“HRS”) and meet all of the following requirements:
 - a. I am a citizen of the United States or a resident alien;
 - b. I am at least eighteen years of age;
 - c. I am domiciled in the State of Hawaii;
 - d. I will physically reside in the Unit to be purchased; and
 - e. I am prequalified for a mortgage loan to purchase a unit in the Project as evidenced by a DEP program prequalification letter from a preferred Project lender.
4. I will maintain the eligibility requirements of the DEP program through the closing of the purchase and will update the affidavit approximately 180-days prior to closing the purchase and/or as requested by the HHFDC in its sole discretion (“recertification”).
 - a. If recertification is approved, the qualified purchaser shall execute the corporation’s program agreement to timely close on unit purchased.
 - b. If recertification is disapproved, this affidavit will be automatically null and void, unless the co-buyer, if any, is an eligible buyer under the DEP program and will be the primary applicant.
 - c. If elected, continued purchase as a qualified resident under Chapter 201H, HRS may be permitted at the developer’s sales price, subject to the developer and the corporation’s review and approval. If approved, an amendment to the contract will be required (without 30-day rescission).

F. The Applicant and Co-buyer, if any named in this Affidavit, being first duly sworn on oath, hereby deposes and says, I/We:

1. shall occupy the purchased unit as the primary residence at all times until such time the corporation’s equity, interest and equity percentage share is paid in full, except in hardship cases where the inability to reside on the property arises out of unforeseeable circumstances as determined by the corporation and a temporary waiver of the owner occupancy requirements is granted by the corporation.
2. shall not transfer title to a co-buyer, child, parent, sibling or inter vivos trust, unless the corporation’s equity, interest and equity percentage share are paid in full prior to the transfer.

3. understand that the corporation shall have the right to charge reasonable non-refundable fees for administrative expenses to process the required real estate documents under the chapter.
4. shall continue to observe, perform, and comply with all of the covenants, conditions, and restrictions pertaining to the ownership, use, occupancy, repayment and transfer of the unit during the term of the DEP program agreement.
5. understand that non-compliance of the DEP program shall be sufficient reason for HHFDC, at its option, to demand payment, correction within 60 calendar days from date of notification, apply a penalty, or pursue legal remedies to recapture the DEP program funds.

I/We, the undersigned Applicant and Co-buyer, if any named in this Affidavit have read, understand and agree with the statements made in this affidavit. By signing the affidavit, I/we certify that the information provided is complete and accurate and if found to have willfully submitted false information, made misstatements, or withheld important information relied upon to determine eligibility to participate in the DEP program, shall be deemed to be ineligible; provided that the corporation shall not waive its right to pursue any other recourse available to the HHFDC.

Sign before a notary public.

Applicant

Co-buyer, if any

This ____ - page Affidavit for the DURF Equity Pilot (DEP) Program
was subscribed and sworn to before me this
____ day of _____
by (signor's name) _____

Notary Name: _____
Notary Public, ____ Judicial Circuit, State of Hawaii
My commission expires: _____

Doc. Date: _____	#Pages: _____
Notary Name: _____	_____ Circuit
Doc. Description: Affidavit for the DURF Equity Pilot (DEP) Program for _____	
Notary Signature _____	
Date _____	
(Stamp or Seal)	
NOTARY CERTIFICATION	

SAMPLE COMPUTATION OF THE DEP PROGRAM

SAMPLE COMPUTATION, based on the buyer's refinance in 3rd year of ownership using the following hypothetical amounts including future property value.

DEP Program

A. Developer's Original Sales Price	626,700
B. HHFDC's Equity Amount	103,300
C. Qualified Purchaser Price	523,400
D. Original Value of the Unit prior to close of sale, based on appraisal	700,000
E. Property Value by appraisal at time of refinance (3rd year of ownership)	725,000

DEP Program - Determination of HHFDC's Equity Percent

1) HHFDC's Equity Amount	103,300	
2) Divided by Original Value of the Unit	700,000	0.1476
3) HHFDC Percent Share in the Equity Amount		15%

DEP Program - Computation of HHFDC deferred loan and interest

1) Corporation Equity	103,300	
2) Interest at 1%	1,033	
3) Multiplied by 3 years of ownership	3	3,099
4) Total loan repayment plus interest		106,399

DEP Program - Computation of Equity Share payment to HHFDC

1) Property value in year 3 of ownership	750,000	
2) MINUS - the original value at close of purchase	(700,000)	
3) EQUALS - Net Appreciated Value	25,000	
4) MULTIPLIED BY HHFDC equity share of 15%		3,750

DEP Program - total amount paid to HHFDC in 3rd year of ownership due to refinance* **110,149**

*DEP amount is due and payable up on refinance, transfer, sale, rent or non-owner occupancy.

The following attached documents are provided for your completion, if applicable and required to submit a complete Affidavit for the Project.

1. HHFDC DEP Program Prequalification Letter Template;
2. Request for Verification of Employment (“VOE Form”)

**HHFDC DEP PROGRAM
PRE-QUALIFICATION LETTER TEMPLATE***

*To be completed by a preferred project lender/loan officer using this format

Date: _____

Borrower** : _____
**Must be the DEP Program eligible buyer

Co-Borrower, if any: _____

Borrower – Co-Signor, if any (Not on Title): _____

Borrower – Co-Mortgagor (On Title – 1% only): _____

Borrower Address: _____

City, State & Zip: _____

Notice to Lender.

An applicant under HHFDC DEP Program (i) cannot own any real property, (ii) cannot receive any gift funds for the purchase of the unit in the project and (iii) must work in a profession facing a shortage determine and defined by HHFDC, including nurses, teachers, police officers and agricultural field workers.

Check, if applicable & Attach applicable form

- Co-Signor - attach Co-Signor Affidavit;
- 1% Co-Mortgagor – attach 1% Co-Mortgagor Affidavit;

RE: Kuilei Place Project - Qualification for DEP Program

We have reviewed your request to purchase a unit within the above reference project and prequalified you for a maximum sales price, loan amount and loan product listed below.

Maximum Sales Price:	\$ _____
Maximum HHFDC Equity:	<u>\$103,300.00</u>
Maximum Loan Amount:	\$ _____
Minimum Down Payment:	\$ _____
Loan Program:	_____
Proposed/Qualified Interest Rate:	<u>5.25% @ 1.0 point</u>

This pre-qualification letter is based on preliminary information, which although deemed reliable, have not been determined to be correct for purposes of providing this prequalification letter. Pre-Qualification means that you could qualify for the residential loan described above, based upon the information you have provided us. Further consideration of your intent to submit a complete loan Application for a Residential Mortgage Loan is contingent upon receiving the following checked items.

- A complete loan application with all supporting documentation.
- Submission of a fully-executed Purchase Contract with all addenda.
- Satisfactory verification of your income, liabilities and any other information provided by you.
- A satisfactory written credit report.
- A satisfactory written appraisal report on the subject property reflecting sufficient value to meet your selected lender's loan-to-value requirement for this loan program, which shall not exceed _____% of appraised value.
- Conformance with all of the selected lender's underwriting requirements.
- Final approval from a mortgage insurance company, if applicable.
- Satisfactory verification of housing payment reserves and of funds necessary to close the loan.
- Approval of all documents related to this transaction, including but not limited to the preliminary title report, deed, etc.
- Satisfactory proof of the Master Condominium Insurance Certificate for your Homeowners Association for Hazard and Hurricane coverage including Fidelity Bond Coverage.
- Hawaii Housing Finance & Development Corporation (HHFDC) eligibility approval, acceptance and continued maintenance of all Eligibility Requirements, including but not limited to owner-occupancy of the property as your principle residence.

This letter is not a commitment on our part to fund your loan, and we will only issue our loan approval when the above requirements have been met and are acceptable to us. The final interest rate and loan terms will be determined at the time of lock-in and/or closing. Thank you for the opportunity to assist you in the purchase of a unit in the subject project. If you have any questions, please feel free to call me at (808)_____ or email at _____.

Sincerely,
Company Name

Name of Loan Officer, NMLS ID



**Request for Verification of Employment (VOE FORM)
HHFDC DURF Equity Pilot (“DEP”) Program**

DEP Applicant Name: _____

Privacy Act Notice: This information shall be used by the Hawaii Housing Finance and Development Corporation (“HHFDC”) to determine the applicant's eligibility as a prospective buyer under Chapter 15-309, Hawaii Administrative Rules (“HAR”). **You do not have to give us this information, however, the applicant's affidavit for approval as a prospective participant may be rejected. Refer to the DEP Program Affidavit for detailed information. Upon HHFDC receipt, the required information as permitted by the HAR, as may be amended, will be deemed confidential and used only for purposes of qualifying under the HHFDC DEP Program.**

- A. EMPLOYEE:** The employee named below,
- (i) Is applying to purchase a dwelling unit offered under the HHFDC DEP program;
 - (ii) Authorizes the Employer named below to provide the information requested including title and position, to HHFDC for purposes of qualifying to participate in HHFDC’s Affordable Sales and DEP programs;
 - (iii) Has completed the following for use by the Employer.

EMPLOYEE Name:(Print) _____

(Signature) _____

Residence Address _____ Zip _____

Best Tel. No. _____ Best time to Contact _____

Who is your EMPLOYER? _____

B. NOTICE TO EMPLOYER: The employee identified in section A., is an **Applicant required to provide employment title/position information** for purposes of participating in the HHFDC DEP program.

Employer Name: _____

Address: _____

Employee’s Present Title and/or Position _____ Employee No., if any _____

Date of Employment _____

Likelihood of Continued Employment YES NO

Average hours worked per week: Currently _____; Past year _____

Certification: State statutes provide severe penalties for any fraud, intentional misrepresentation, or criminal connivance or conspiracy proposed to influence the approval of the HHFDC. The undersigned is a representative of the Employer authorized to provide employment information for the above-named Employee; or is employed by the Employer in the capacity to provide such information (e.g. payroll department).

Legal Name of Employer: _____

Signature Title Date

Preparer's Name (Print): _____ Phone No. _____

EMPLOYER – RETURN COMPLETED FORM TO EMPLOYEE

3.2024