

Affordable Housing Financing

We need to make it much easier to obtain Hula Mae loans, to encourage residents to buy, by increasing the maximum gross income to allow people to be able to purchase market priced homes below \$1M.

Right now, if you wish to buy a market priced home within the median home price range you will not qualify for a Hula Mae loan. In order to be approved for the mortgage, you must show a certain level of income. The income necessary to be able to afford such a home exceeds the allowed amount by Hula Mae. So this loan product is virtually useless for single family homes.

I would like to introduce Kanaka Mac loans. I would like to see this created as a new loan product that is insured or guaranteed by the state with defining requirements like Hula Mae and VA loans and (state worker union loans). The requirements for these new loans are as follows: the buyer must be born in the state of HI, property must be owner occupied, allow for zero down, and allow for high income and high loan to value ratios, with below market interest rates, and better interest rates if you can prove your parents were born in HI. And/or housing subsidies through a HI State income tax credit equal to 10% of annual mortgage payments for people born in HI.

The reason mainlanders can afford to buy market priced homes and locals cannot is largely due to mainlanders having access to industries and a variety of jobs offering higher pay than HI has available. Therefore they have more discretionary income and can afford higher priced homes.

To limit speculation, realtors should not be able to purchase properties priced below \$1M as an investment and should be subject to the same rules that keep them from being able to purchase a distressed property when they must wait 365 days after the listing ends.

To limit speculation, and investment-only properties which drive up prices for everyone, all new developments with lot sizes over 10k sq.ft. and/or built on agricultural zoned land shall only offer 30 year leases.