

AH Committee

Subject: FW: Invitation to attend and present: 5/23 Affordable Housing Committee meeting
Attachments: HCA Maui FOC 5.23.22.pdf

Please see attached

SINGLE USE PRESENTATION – CONTACT mauifoc@hawaiiancommunity.net – DO NOT EDIT

Me ke aloha pumehana,

M. Keaka Aumua, MSW

HUD #82582

Community Service Specialist

Financial Opportunity Center

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Hawaiian Community Assets is a 501c3 nonprofit HUD-certified housing counseling agency and Native community development financial institution that builds the capacity of low- and moderate-income communities to achieve and sustain economic self-sufficiency with a particular focus on Native Hawaiians. Our philosophy – *kahua waiwai* – supports permanent housing, culturally-relevant financial education, and asset building and community lending programs to achieve our mission.

 Please consider the environment before printing this email



Maui Financial Opportunity Center
Community Service Specialist

M. Keaka Aumua

May 23, 2022

Services that promote Economic Justice

**HUD-Approved
Housing Counseling
Agency**

**FREE Homebuyers
Education Workshop**

**FREE
Renters/Financial
Education Workshop**

**Access to budgeting
strategies, capital,
grants, vetted
referrals**

**Individualized
counseling**

Pre-purchase and Post-purchase non-delinquency, Mortgage delinquency/default, Rental counseling, Student Financial Life skills coaching, Fraud and Scam Prevention

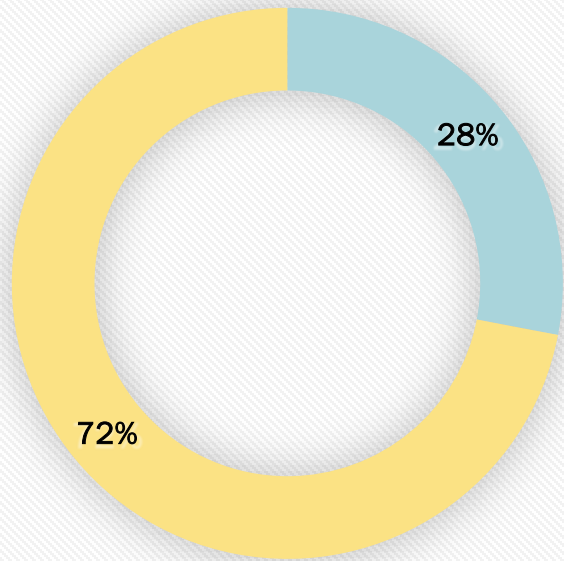




Clients we serve

Majority of our clients served at the Maui Financial Opportunity Center are low to moderate income which translate to a range of income of <\$57050-\$92,000.

Mortgage Ready?



■ Mortgage Qualified ■ Not yet qualified

28% of our clients qualify for mortgage and 72% have not yet qualified for a mortgage

Current pricing 2021-2022

Lowest amount for an apartment for a recent workforce housing project in 2021 is \$395000

- 2 bedroom/1 bathroom

The lowest amount for a single-family home for workforce housing sold for \$618,010

- 4 br/2 bath at 6700< sq for low to moderate income families at the 80% or less AMI for a 2020

- Completed application
- HUD certified Homebuyer Education Workshop certificate
- Prequalification letter
- 1% down payment for those selected during lottery. Estimated between \$3,950 to \$6,000

Price range: \$395,000 - \$599,900 & AOA Fees: \$300/mo - \$480/mo
**as of Mon 9/20 - reference point subject to change*

For 2020, the income limits are:

CATEGORY	INCOME GROUP	% OF AREA MEDIAN INCOME - SALES PRICE RANGE	MAXIMUM INCOME LIMIT
A	BELOW MODERATE	81% - 100% (\$78,780 - \$97,500) \$556,255 - \$618,010	\$97,500
B	MODERATE	101% - 120% (\$97,600 - \$117,000) \$679,880 - \$741,635	\$117,000
C	ABOVE MODERATE	121% - 140% (\$117,100 - \$136,500) \$803,505 - \$865,260	\$136,500

Priced out | Part 1

- With the average asset amount for Maui County families at \$18143 – this could go toward their down payment/closing cost for a home.
- That’s 4.59% down payment for a home at \$395,000.
- This may be enough to secure the mortgage loan but not enough to keep the home long term
- This is setting families up for failure because...a family of 4 with 50% AMI \$57050 could expect to pay about \$2700 toward mortgage, NOT including principal, interest, PMI, HOA fees therefore they are more likely struggling to use the remaining net income of less than \$2000 toward all other expenses – walking on eggshells in the case of any emergency (car, medical, loss of income, other).

Home Price: \$ 395,000

Down Payment: Requires 3% \$ 79,000 20 %

Loan Term (years): 30 15

Interest Rate: 5.938 %

State: HI

Property Tax: \$ 86 per month

Homeowners Insurance: \$ 79 per month

HOA/Other: \$ 300 per month

Total Loan Amount: \$316,000



Payment Breakdown

Principal and Interest	\$1,882
Private Mortgage Insurance	\$0
Property Tax	\$86
Homeowners Insurance	\$79
HOA/Other	\$300

*You could save up to \$3,000 in interest payments by comparing rates from multiple lenders

[Request Rates](#)

Go to: [FHA Loan Calculator](#)

Home Price: \$ 395,000

Down Payment: Requires 3.5% \$ 18,143 4.59 %

Loan Term (years): 30 15

Interest Rate: 5.958 %

State: HI

Property Tax: \$ 86 per month

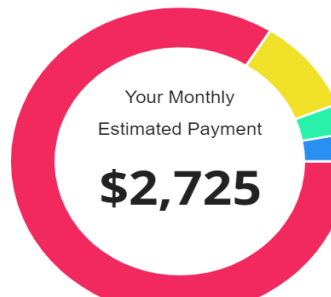
Homeowners Insurance: \$ 79 per month

HOA/Other: \$ 0 per month

Upfront MIP (1.75%): \$6,595

Monthly MIP Rate: 0.85%

Total Loan Amount: \$383,452



Payment Breakdown

Principal and Interest	\$2,289
FHA Mortgage Insurance	\$272
Property Tax	\$86
Homeowners Insurance	\$79
HOA/Other	\$0

*You could save up to \$3,000 in interest payments by comparing rates from multiple lenders

[Request Rates](#)

Priced out | Part 2

Family of 4 with an annual net income of \$72,000/Monthly income of \$6,000 a month

2 working adults and 2 keiki

\$3400 mortgage for a single family home

\$1700 childcare

\$900 remaining for the following

- \$800 food
- \$400 gas
- \$250 Insurance
- \$450 Utilities

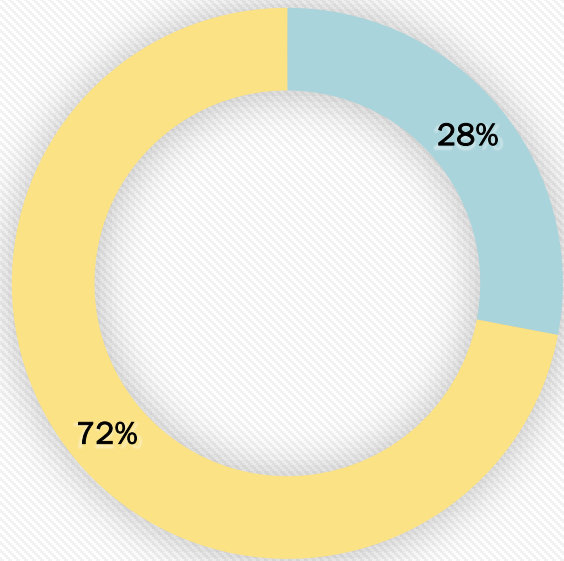
*Assuming there is no debt



Outcomes

- A home becomes more of a burden rather than a blessing due to unforeseen circumstances in effort to keep up with monthly costs and this translates to loss of home security.
- A suggested price of housing for low to moderate income families that would be affordable?
 - \$150,000-\$250,000 apartment
 - \$350,000-\$450,000 single family home
- “The recently published Comprehensive Affordable Housing Plan (CAHP) recommends that we update our rent and sales price guidelines to come up with prices that include principal, interest, taxes, insurance, mortgage insurance, HOA fees capped at 31% of the homeowner’s gross income.”

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Resources

Grants – subject to availability and qualifying

- Various mortgage options (USDA, VA, FHA, Conventional)
- Loans

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- Na Hale O Maui
 - DHHL
 - Ikaika Ohana Developments
 - Tiny Homes

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- Maui County Down Payment Assistance
 - County of Maui Homeownership Option Program (HOP)

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- Hale Mahaolu
 - Habitat for humanity





Mahalo

Contact information

mauifoc@hawaiiancommunity.net

(808)727-8870

