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TESTIMONY HHT-2(2)

Good afternoon and aloha Chair Crivello and members. My name is Lawrence Carnicelli, speaking as the Government Affairs Director for the REALTORS Association of Maui in support of the proposed amendments in HHT-2(2).

RAM is in support of the Chair's efforts to promote and incentivize the creation of affordable workforce housing for our Maui residents.

While we would agree with intent of the changes to SECTION 1 "B" f. (i) & (ii) we would like to suggest some clarifying language be added. Including the qualifier "fair market" for the appraisal would be appropriate and more specific. The use of a licensed appraiser is appropriate along with further clarifying language. Below are my suggestions:

- i. [An] A fair market appraisal of the property by a licensed real estate appraiser shall be required prior to closing. [before occupancy ("the owner's purchase price")].
- ii. A second fair market appraisal of the property shall be required within 30 days prior to listing of the resale, or closing of resale if sold without listing. [upon a decision to sell the unit.]
- iii. To determine resale price t[T]wenty-five percent of the difference between the two appraisals shall be added to the owner's original purchase price.

Additionally we would like to add that there is no provision if the second appraisal is lower than the original appraisal.

We feel as though the proposed changes to SECTION 2 "B" 4 on page 2 are an overdue and well needed change. We support excluding down payment and closing cost assets in a buyer's overall portfolio.

We also have no problem with the addition of SECTION 2 "B" 7 on page 3.

Lastly we understand that the deletion of SECTION 3 "D" 6 on page 4 is covered elsewhere in the code and would support the housekeeping.

Mahalo for the opportunity to testify.

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