

MAR 09 2018

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# SENATE CONCURRENT RESOLUTION

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REQUESTING THE FEDERAL HOUSING ADMINISTRATION TO REDUCE BARRIERS  
TO CONDOMINIUM PROJECT APPROVALS AND INCREASE MORTGAGE  
FINANCING AVAILABILITY FOR FIRST-TIME HOMEBUYERS.

1 WHEREAS, Hawaii is one of the most difficult states in the  
2 country to achieve home ownership, due to the high cost of  
3 living and extremely high cost of real estate; and  
4

5 WHEREAS, the January 2018 median price of a single family  
6 residence on Oahu was \$772,000, and the median price of a  
7 condominium was \$430,000; and  
8

9 WHEREAS, the Federal Housing Administration (FHA) was  
10 created in 1934 to expand home ownership in the United States;  
11 and  
12

13 WHEREAS, FHA guarantees loans that are not otherwise  
14 available to first-time homebuyers, such as very low down  
15 payment mortgages with a non-occupying co-borrower; and  
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17 WHEREAS, condominium units comprise a large percentage of  
18 total housing units in Hawaii, and many thousands of new units  
19 are projected to be built in coming years; and  
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21 WHEREAS, in order for FHA to insure mortgages for  
22 condominiums, FHA requires approval of the condominium project  
23 in addition to approval of the borrower's qualifications, yet  
24 few condominium projects in Hawaii gain FHA approval, due to a  
25 process that is much more complicated than project approval for  
26 conventional and Veterans Benefits Administration financing; and  
27

28 WHEREAS, conventional financing is often available on new  
29 condominium projects, but with stricter qualifying guidelines  
30 than FHA; and  
31



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1 WHEREAS, the Veterans Benefits Administration, another  
 2 government-backed lending agency, often makes mortgage lending  
 3 available on many of these same condominium projects to  
 4 qualifying veterans; and  
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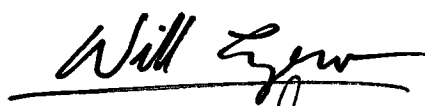

6 WHEREAS, first-time homebuyers in Hawaii may only qualify  
 7 for home ownership through FHA lending guidelines, yet are  
 8 prevented from using FHA financing on projects that are not  
 9 approved by FHA; now, therefore,  
 10




11 BE IT RESOLVED by the Senate of the Twenty-ninth  
 12 Legislature of the State of Hawaii, Regular Session of 2018, the  
 13 House of Representatives concurring, that the Federal Housing  
 14 Administration is requested to amend its regulations to reduce  
 15 barriers to condominium project approval so that more first-time  
 16 homebuyers will be able to realize the American Dream of  
 17 homeownership; and  
 18

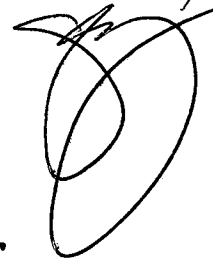
19 BE IT FURTHER RESOLVED that certified copies of this  
 20 Concurrent Resolution be transmitted to the Assistant Secretary  
 21 for Housing - Federal Housing Commissioner, members of Hawaii's  
 22 congressional delegation, and Governor of the State of Hawaii.  
 23  
 24  
 25

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