

MAR 09 2018

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## SENATE RESOLUTION

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  
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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  
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9           WHEREAS, the Federal Housing Administration (FHA) was  
10 created in 1934 to expand home ownership in the United States;  
11 and  
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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  
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28           WHEREAS, conventional financing is often available on new  
29 condominium projects, but with stricter qualifying guidelines  
30 than FHA; and  
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32           WHEREAS, the Veterans Benefits Administration, another  
33 government-backed lending agency, often makes mortgage lending  
34 available on many of these same condominium projects to  
35 qualifying veterans; and



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

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

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

OFFERED BY:

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