

c. by oneself or together with a spouse does not own a majority interest in any real estate suitable for residential purposes, and

d. has completed a course of home-ownership education, approved by the Kaua'i County Housing Agency, that must consist of at least eight (8) hours of classroom instruction, including consultation to determine mortgage-ready status.

4. Home-Buyer Policy Income Limits. There are no income limit restrictions for placement on the Home-Buyer List. However, income limits are utilized for the initial offerings of most housing units or properties sold by the County or privately sold by a developer satisfying a County housing requirement. Over income individuals on the Home-Buyer List would be eligible to purchase only after all income eligible potential buyers have had an opportunity to buy.

5. Housing Project Income Limits. Each housing unit or property that becomes available for purpose to individuals on the Home-Buyer List may have income limit requirements that must be followed that could restrict who is eligible to buy. All Home-Buyer List applicants must comply with any income restrictions relevant to any applicable dwelling unit or source of financing.

6. Home-Buyer Number.

a. The number assigned to an eligible individual under this policy shall be known as their "Home-Buyer Number".

b. Once an individual provides the necessary documentation to establish current Kaua'i residency and documents completion of the home ownership education and mortgage-ready consultation requirement, that individual shall be given a Home-

Buyer Number that is the next number on the Home-Buyer List on a first-come, first served basis, as determined by the Housing Agency's date and time stamp imprinted on a copy of the individual's home-ownership education certificate.

c. Each individual that qualifies for the Home-Buyer List shall be assigned a Home-Buyer Number. For married couples where each spouse qualifies for the Home-Buyer List, the same Home-Buyer Number is assigned to each individual spouse.

d. For individuals that have previously registered with the Housing Agency under the Home-Buyer Priority List Program and have provided evidence of their home ownership education and counseling, a public lottery will be held to establish the numerical sequence of these first names for the Home-Buyer List. The lottery number pulled for each individual shall be their Home-Buyer Number.

e. Once a Home-Buyer Number is given to an individual, the number is permanent and shall not change.

7. Removal from the Home-Buyer List. The eligible individual's name and assigned Home-Buyer Number shall remain on the Home-Buyer List until one of the following three (3) events occur. If one of these events does occur, the individual's name and Home-Buyer Number are retired from the list:

a. the individual becomes the majority owner, either by oneself or together with one's spouse, of real property suitable for residential purposes, or

b. the individual no longer resides or is no longer domiciled on the Island of Kaua'i, or

c. the individual is deceased.

8. Reinstatement. For an individual that was formerly on the Home-Buyer List and was removed because the individual became a majority owner or residential property, or no longer resided on the Island of Kaua'i, that individual may become eligible for the Home-Buyer List program upon once again qualifying for eligibility pursuant to the criteria listed above under Eligibility. Upon re-qualification, the individual shall be assigned the next available Home-Buyer Number on the Home-Buyer List. The individual shall not be entitled for their former Home-Buyer Number.

9. Compliance to Project Requirements. The status of being an individual on the Home-Buyer List does not supersede buyer eligibility criteria for housing units or properties made available by the County or privately developed that require specific criteria for buyer eligibility. However, the order of purchase opportunity for individuals who are otherwise buyer qualified and on the Mortgage-Ready Home-Buyer List may have the first opportunity to buy applicable housing units or properties before individuals who are not on the Mortgage Ready Home-Buyer List.

10. Mortgage-Ready Eligibility. To be offered the opportunity to be the first potential buyers under the Home-Buyer List Program, the eligible individual must be designated "Mortgage-Ready". To be designated Mortgage-Ready, the individual or the individual's household shall be able to purchase a fee simple residential property selling for a minimum of two hundred fifty thousand dollars (\$250,000) or a leasehold residential property selling for a minimum of one hundred seventy-five thousand dollars (\$175,000), as determined by the Housing Agency, utilizing underwriting criteria for loans typically available for affordable housing, favorable credit history, and necessary cash requirements. The fee simple and leasehold qualifying amounts are subject to change as

income and real property values change. All individuals added to the Home-Buyer List shall provide documentation of their finances and credit to enable the Housing Agency to determine an individual or an individual's household ability to purchase a home before being placed on the Mortgage-Ready Home-Buyer List and periodically, thereafter, to remain on the Mortgage-Ready Home-Buyer List.

11. Mortgage-Ready Home-Buyer List. An individual or individual's household deemed Mortgage-Ready shall be placed on the Mortgage-Ready Home-Buyer List in the order of their Home-Buyer Number.

12. Not Mortgage-Ready Individuals. An individual deemed by the Housing Agency not Mortgage-Ready shall be encouraged by the Housing Agency to continue to obtain ongoing counseling by their home-ownership education provider to become Mortgage-Ready. An individual may request that their name be moved to the Mortgage-Ready Home-Buyer List by the Housing Agency's reevaluation of their ability to purchase a home at any time, but not more often than every 90 days. An individual may formally make written appeal for reevaluation of their ability to purchase to the County of Kaua'i Director of Finance, in a form and manner as determined by the Director of Finance.

13. Sales Selection. For any housing units or properties subject to this policy, the seller shall first make the offer to sell any dwelling units or land parcels then available for purchase to the individual on the Mortgage-Ready Home-Buyer List with the lowest Home-Buyer Number. Next, the seller must make the offer to the individual with the next to the lowest Mortgage-Ready Home-Buyer Number, then to the individual with the third lowest Mortgage-Ready Home-Buyer Number and continue this sequence until all dwelling units or land parcels are sold. If the seller

has any properties available after offering them to all individuals on the Mortgage-Ready Home-Buyer List, then the seller shall make the properties available to eligible buyers not on the Home-Buyer List. This first opportunity to purchase shall conform to the above Compliance to Project Requirements provision.

14. Multiple Opportunities to Buy. Any individual on the Home-Buyer List that declines an offer to buy an offered housing unit or property, or fails to complete the purchase after accepting an offer to buy, shall remain on the Mortgage-Ready Home-Buyer List and retain their Home-Buyer Number without penalty or restriction and be eligible for the next property or project subject to this policy.

15. Dormant Home-Buyer List Individuals. It is the responsibility of each individual on the Home-Buyer List to keep the Kaua'i County Housing Agency informed of the individual's current mailing address and telephone numbers. If mail form the Housing Agency is returned undeliverable and the individual's phone numbers are no longer in service, the Housing Agency will deem that individual "dormant" until such time that the individual re-establishes contact with the Housing Agency. When re-establishing contact with the Housing Agency, the individual shall be required to document that they continued to be a Kaua'i resident during the dormant period.

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**Kaua'i Resident
Homebuyer-Buyer List Policy
June 1, 2007**

1. Purpose. The purpose of the Kaua'i Resident Home-Buyer List Program (Home-Buyer List) is to establish a long term program where Kaua'i residents can be placed on a list to be the first potential buyers of housing units or properties either developed directly by or for the County or privately developed to satisfy a County housing requirement.

2. Objectives. The objectives of the Home-Buyer List are:

- a. establish a permanent list of individuals who want to be resident buyers that keep their position on the list for buyer selection for all available applicable properties,
- b. prepare residents for the home buying process through home-ownership education,
- c. assist residents to become mortgage-ready so they will be able to buy a home, and
- d. to keep residents aware of upcoming projects and opportunities to buy a home.

3. Home-Buyer List Eligibility. Any individual shall be added to the Home-Buyer List who:

- a. is either a citizen of the United States of America or a resident alien who physically resides on the Island of Kaua'i, State of Hawai'i, and
- b. is at least eighteen (18) years old, and