



DEP No. _____
Assigned by the Sales Team

Unit No. _____
Assigned by the Sales Team

STATE OF HAWAII
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
("HHFDC")

**DWELLING UNIT REVOLVING FUND
EQUITY PILOT ("DEP") PROGRAM
AFFIDAVIT PACKET**

THE FLATS AT SKY ALA MOANA EAST

DEVELOPER:
JL CAPITAL

EXCLUSIVE PROJECT BROKER:
ASSOCIATED REAL ESTATE ADVISORS LLC (RB-23032)
1440 Kapiolani Boulevard, Suite 1201
Honolulu HI 96814
theflatshonolulu.com

PRINT DEP Program Applicant Name: _____

If applicable, PRINT Co-buyer Name: _____

For Sales Team Use Only

- Signed Affidavit
- DEP Prequalification Letter from a Project Lender
- Verification of Profession
- Verification of Residency
- *If applicable, other Documents.
See Checklist for details.

**For Sales Team Use Only
Date/Time Received**

Lender/Loan Officer:

Loan Amount:

This Checklist is to assist the DEP Applicant and Co-buyer, if applicable (collectively referred to as “Applicant”) with submitting a complete DEP Affidavit for a designated DEP unit.

The following are required to be considered for a designated DEP unit.

- Completed and **Signed*** Affidavit.
**Signed and notarized Affidavit is required after your City application is approved.*
- Prequalification letter from a Project lender affirming the ability to purchase a unit.
- Verification of working in a profession facing a shortage as determined by the HHFDC. Refer to section C.3. of the Affidavit for HHFDC approved professions. Refer below for HHFDC acceptable documents as proof of working in an approved profession.
 - A. Most current paystub (within 30-days) showing official title/occupation.
 - B. Completed and signed Verification of Employment (“VOE”) form. See attached VOE form. Note: Incomplete VOE is cause for rejection.
- Proof of Residency. HHFDC will accept one of the following in priority order:
 - A. Hawaii state driver’s license or identification card.
 - B. Most current paystub showing Hawaii State Tax Withholding (within 30-days)
 - C. Hawaii state tax return (must be signed – DocuSign is acceptable) *with accompanying form W-2.*
 - D. If applicable, valid Resident Alien Card, front and back. If expired and in the process of completing an extension or an extension has been granted, submit copy of the extension letter together with the expired resident alien card.

***IMPORTANT: Attach only copies in the order as listed above.
The submitted documents will not be returned.**

Contact your Sales Team Agent for assistance, if necessary

Affidavit for HHFDC DURF Equity Pilot (“DEP”) Program

(For Non-HHFDC Developments)

Sign this Affidavit in front of a Notary Public.

This affidavit must be personally executed by the Applicant and Co-buyer, if any, who is applying to purchase a residential unit offered under the DEP Program and shall not be executed by an attorney-in-fact.

State of Hawai‘i)
) SS.
County of _____)

For HHFDC Use Only	
<input type="checkbox"/>	Applicant IS an Eligible Buyer
<input type="checkbox"/>	Applicant IS NOT an Eligible Buyer
<input type="checkbox"/>	Co-buyer, <input type="checkbox"/> IS <input type="checkbox"/> is NOT an Eligible Buyer
❖ PSN	
❖ Unit No.	
❖ Contract Date:	

(Print FULL Name, no initials)

A. _____
DEP program Applicant (Proposed Eligible Buyer)

B. _____
If applicable, Co-buyer is a Spouse or Co-applicant **and** IS is NOT, a DEP program applicant (proposed eligible buyer).

Applicant Physical Residence Address: _____
(Please PRINT)

City, State, Zip Code

Mailing Address: ← check, if address is, Same as Above

Complete, if Applicant mailing address is different; or Co-buyer address is different from Applicant Residence Address; include City, State, Zip Code

Applicant Best Phone No.: _____

Applicant Email: _____

C. The following to be completed by the DEP program Applicant and Co-buyer, if any who is purchasing an affordable unit with the applicant named in section A above.

ELIGIBILITY REQUIREMENTS		APPLICANT (A)	Co-buyer, if any
1)	Do you own any real property? If YES, you are ineligible for the DEP program.	Y <input type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>
2)	Are you receiving gift funds? If YES, you are ineligible for the DEP program	Y <input type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>
3)	Are you currently working in a profession facing a shortage? If YES, check your profession →	Y <input type="checkbox"/> N <input type="checkbox"/> <input type="checkbox"/> NURSE <input type="checkbox"/> TEACHER <input type="checkbox"/> POLICE OFFICER <input type="checkbox"/> AGRICULTURAL FIELD WORKER	Y <input type="checkbox"/> N <input type="checkbox"/> <input type="checkbox"/> NURSE <input type="checkbox"/> TEACHER <input type="checkbox"/> POLICE OFFICER <input type="checkbox"/> AGRICULTURAL FIELD WORKER
4)	What is your official title? <i>If not included on your paystub</i> , complete and attach the DEP Verification of Employment form at the end of this DEP Affidavit.		

D. **The Applicant submits this affidavit to purchase an affordable unit offered under the Hawaii Housing Finance and Development Corporation’s (“HHFDC” or “Corporation”) DEP Program as set forth in Chapter 15-309, Hawaii Administrative Rules (HAR) and agree to the following requirements:**

1. If approved, I may select a unit within my prequalified loan amount, including the corporation’s equity.
2. The corporation may purchase equity in for-sale housing development projects. The corporation’s equity shall be allocated to specific units within the project. The price to be paid by each eligible buyer of a unit shall be reduced by the corporation’s equity amount for that unit.
 - a. **Corporation’s equity** means the difference between the original cost of the unit and the price of the unit paid by the qualified purchaser.
 - b. **Eligible buyer** means an applicant who: (1) owns no other real property; (2) receives no gift funds for purchase of the unit; (3) works in a profession that is facing a shortage as determined by the corporation, including health care workers, educators, law enforcement officers, staff at correctional facilities, and agricultural field workers; and if applicable, (4) meets the eligibility requirements set forth in the Affordable Housing Program administered by the Department of Planning and Permitting (“DPP AHP”) of the City & County of Honolulu (“eligible person”). **For this project, HHFDC has determined eligible buyers to be nurses, teachers, police officers and agricultural field workers.**

3. The corporation may charge an *interest rate*¹ on the corporation's equity which shall be stated in the program agreement with the qualified purchaser.
 - a. **Interest rate**¹ means the fixed rate charged on the corporation's equity at one per cent per year, unless otherwise indicated in the qualified purchaser's program agreement.
 - b. **Qualified purchaser** means an eligible buyer who meets the criteria of the program for which an affidavit is submitted and has entered into a purchase contract and program agreement.
4. The qualified purchaser shall pay a percentage share of the corporation's equity amount.
 - a. **Corporation's equity percentage** share means the percentage determined as: the corporation's equity divided by the *value (fair market value by appraisal)*², excluding any options or upgrades, and established prior to closing the purchase of the unit, rounded to the nearest one per cent.
5. The qualified purchaser shall repay the corporation's equity, *accrued interest*¹, if any and the corporation's equity percentage share upon the earliest of the following:
 - a. At any time after financial closing of the purchased unit at the qualified purchaser's option;
 - b. Upon sale, transfer of title, refinance or additional financing, non-owner occupancy, rental of any part of the unit, or failure to reoccupy the unit at the end of a temporary waiver period; or
 - c. Prior to expiration of the 30th year from the qualified purchaser's date of closing the purchased unit.
6. Payments made shall be applied in the following order of priority:
 - a. *Accrued interest*¹;
 - b. Corporation's equity percentage share, if any; and
 - c. Corporation's equity.
7. Payments not paid when due shall be subject to *additional*³ interest on the corporation's equity share at the simple annual rate of 10% per year until paid. The corporation reserves the right to pursue all legal remedies to recapture the funds awarded or other actions deemed necessary.
8. Payment of the corporation's equity, *interest*¹ and equity share, if any shall be the sum of the following. Refer to the attached Exhibit A for a sample computation.
 - a. The corporation's equity *plus simple interest*¹ at the rate specified in the purchaser's program agreement; and
 - b. The *net appreciation*⁴ on the corporation's equity calculated as the *current value*⁴ of the unit,

¹ Refer to the DEP Program Agreement (or program agreement, collectively, "agreement") for interest rate charge, accrued interest, or additional interest, if any.

² Determination of the corporation's equity share shall be calculated on the amount of the developer's original purchase price, (before HHFDC's equity is applied). Refer to Exhibit A.

³ Default interest on the DEP payment not made when due may be assessed. Refer to the DEP Program Agreement. For clarification purposes, 'additional' will be deleted confirming no interest on the equity will be charged; except when payment is not made when due.

⁴ Net appreciation will be calculated based on (i) payment in advance of a sale, or (ii) upon sale of the property. Refer to Exhibit A.

minus the *original value*⁴ of the unit and multiplied by the corporation's equity percentage share, as specified in the purchaser's program agreement.

9. I will maintain the eligibility requirements of the DEP program through the closing of the purchase and will update the affidavit approximately 30-45 days prior to closing the purchase and/or as requested by the HHFDC in its sole discretion ("recertification").
 - a. If recertification is approved, the qualified purchaser shall execute the corporation's program agreement to timely close on unit purchased.
 - b. If recertification is disapproved, this affidavit will be automatically null and void, unless the co-buyer, if any, is an eligible buyer under the DEP program and will be the primary applicant.
 - c. If elected, continued purchase as an eligible person under the DPP AHP may be permitted at the developer's original sales price, subject to the developer's review and approval. If approved, an amendment to the contract will be required (without 30-day rescission).

E. I, the Applicant under the DEP program Affidavit, being first duly sworn on oath, hereby deposes and says:

1. The information in and attached to this affidavit are true and supports my participation in the DEP program.
2. I am an "eligible buyer" as defined in section 15-309-2, HAR and meet all of the following requirements:
 - a. I do not own any real property;
 - b. I have not and am not receiving any gift funds for purchase of a unit in the Project; and
 - c. I work in a profession that is facing a shortage determined and defined by the corporation including nurses, teachers, police officers and agricultural field workers.
3. I am an eligible person under the DPP AHP, as evidenced by an approval letter from the DPP attached to this Affidavit.
4. I will maintain the eligibility requirements of the DEP program through the closing of the purchase and will update the affidavit approximately 30-45 days prior to closing the purchase and/or as requested by the HHFDC in its sole discretion ("recertification").
 - a. If recertification is approved, the qualified purchaser shall execute the corporation's program agreement to timely close on unit purchased.
 - b. If recertification is disapproved, this affidavit will be automatically null and void, unless the co-buyer, if any, is an eligible buyer under the DEP program and will be the primary applicant.
 - c. If elected, continued purchase as an eligible person under the DPP AHP may be permitted at the developer's original sales price, subject to the developer's review and approval. If approved, an amendment to the contract will be required (without 30-day rescission).

F. The Applicant and Co-buyer, if any named in this Affidavit, being first duly sworn on oath, hereby deposes and says, I/We:

1. shall occupy the purchased unit as the primary residence at all times until such time the corporation's equity, *interest*¹ and equity percentage share is paid in full, except in hardship cases where the inability to reside on the property arises out of unforeseeable circumstances as determined by the corporation and a temporary waiver of the owner occupancy requirements is granted by the corporation.
2. shall not transfer title to a co-buyer, child, parent, sibling or inter vivos trust, unless the corporation's equity, *interest*¹ and equity percentage share are paid in full prior to the transfer.
3. understand that the corporation shall have the right to charge reasonable non-refundable fees for administrative expenses to process the required real estate documents under the chapter.
4. shall continue to observe, perform, and comply with all of the covenants, conditions, and restrictions pertaining to the ownership, use, occupancy, repayment and transfer of the unit during the term of the DEP program agreement.
5. shall repay the corporation's equity, *accrued interest*¹, if any and the corporation's equity percentage share upon the earliest of the following:
 - a. At any time after financial closing of the purchased unit at the qualified purchaser's option;
 - b. Upon sale, transfer of title, refinance or additional financing, non-owner occupancy, rental of any part of the unit, or failure to reoccupy the unit at the end of a temporary waiver period; or
 - c. Prior to expiration of the 30th year from the qualified purchaser's date of closing the purchased unit.
6. shall pay for all costs and expenses associated with purchasing a unit under the DEP program, such as attorney fees, document preparation fees, recording fees and notary fees.
7. understand that non-compliance of the DEP program shall be sufficient reason for HHFDC, at its option, to demand payment, correction within 60 calendar days from date of notification, apply a penalty, or pursue legal remedies to recapture the DEP program funds.

I/We, the undersigned Applicant and Co-buyer, if any named in this Affidavit have read, understand and agree with the statements made in this affidavit. By signing the affidavit, I/we certify that the information provided is complete and accurate and if found to have willfully submitted false information, made misstatements, or withheld important information relied upon to determine eligibility to participate in the DEP program, shall be deemed to be ineligible; provided that the corporation shall not waive its right to pursue any other recourse available to the HHFDC.

Sign at time of Application* (*DocuSign is preferred*)

(x) _____	(x) _____
Applicant	Co-buyer, if any
Date	Date

*** Attach this signed Affidavit to your DPP AHP Application.**

Upon receipt of your approval letter from the DPP, SIGN IN FRONT OF A NOTARY PUBLIC.**

Applicant Date

Co-buyer, if any Date

This ____ - page Affidavit for the DURF Equity Pilot (DEP) Program

was subscribed and sworn to before me this _____ day of _____ by (signor's name) _____

Notary Name: _____
Notary Public, ___ Judicial Circuit, State of Hawaii
My commission expires: _____

Doc. Date: _____	#Pages: _____
Notary Name: _____ Circuit	
Doc. Description: Affidavit for the DURF Equity Pilot (DEP) Program for _____	
Notary Signature _____	
Date _____	
(Stamp or Seal)	
NOTARY CERTIFICATION	

**** Attach this signed and notarized Affidavit to your DPP Approval letter then submit to your sales team agent who will then transmit to HHFDC for final review and approval of your DEP eligibility.**

EXHIBIT A – DEP PROGRAM AFFIDAVIT DISCLOSURE OF INTENDED MODIFICATIONS

The HHFDC intends to modify the respective provisions for uniformity and standard implementation by amending the current administrative rules. The proposed modifications are expected in mid-2025. References to the proposed modifications will be included in the DEP Program Agreement (Agreement) and provided prior to closing on your purchase of a DEP Program unit.

¹ If applicable, interest charged on the principal DEP amount will be specified in the Agreement. Default interest on the overdue or unpaid principal amount or equity share in the net appreciation, if any, will be assessed by the HHFDC and also included in the Agreement.

² The method of calculating the HHFDC's equity percentage ("standard percentage") is derived by dividing the (A) HHFDC's/corporation's equity amount by the (B) developer's original sales price.

DEP Program - Determination of HHFDC's Equity Percent

A. HHFDC's Equity Amount	66,000	
B. Divided by Developer's Original Sales Price	330,000	0.20
HHFDC Percent Share in the Equity Amount	20%	

³ "Additional" is being removed to confirm the only interest that may be charged is because of non-payment of the HHFDC equity share when due and payable.

⁴ The method of calculating future net appreciation on HHFDC's equity amount is based only on the following:

In the event of a SALE,

a.) Owner's CONTRACT SALES PRICE, in year 5	400,000
b.) MINUS – the developer's original sales price	(330,000)
c.) EQUALS – Net Appreciation	70,000
d.) MULTIPLIED BY HHFDC equity share of 20%	14,000

In the event of a REFINANCE, TRANSFER or NON-OWNER OCCUPANCY

1) Property Value by <i>fair market value appraisal</i> in year 3	375,000
2) MINUS – the developer's original sales price	(330,000)
3) EQUALS – Net Appreciation	45,000
4) MULTIPLIED BY HHFDC equity share of 20%	9,000

VERIFICATION OF EMPLOYMENT

Use the attached form as proof of working in a profession facing a shortage.

Request for Verification of Employment (VOE FORM) **HHFDC DURF Equity Pilot ("DEP") Program**

DEP Applicant Name: _____

Privacy Act Notice: This information contained herein shall be used by the Hawaii Housing Finance and Development Corporation ("HHFDC") to determine the applicant's eligibility to purchase a unit under Chapter 15-309, Hawaii Administrative Rules ("HAR"). **You do not have to give us this information. However, if the applicant's profession is not clearly determined, the applicant's affidavit may be rejected.** Refer to the DEP Program Affidavit for detailed information. **The information provided below shall be deemed confidential and used only by the HHFDC for purposes of qualifying the applicant to participate in the HHFDC DEP Program.**

- A. EMPLOYEE:** The employee named below,
- (i) Is applying to purchase a dwelling unit offered under the HHFDC DEP program;
 - (ii) Authorizes the Employer named below to provide the information requested including title and position, to HHFDC for purposes of qualifying to participate in HHFDC's Affordable Sales and DEP programs;
 - (iii) Has completed the following for use by the Employer.

EMPLOYEE Name:(Print) _____

(Signature) _____

Residence Address _____ Zip _____

Best Tel. No. _____ Best time to Contact _____

Who is your EMPLOYER?

B. NOTICE TO EMPLOYER: The employee identified in section A., is an **Applicant required to provide employment title/position information** for purposes of participating in the HHFDC DEP program.

Employer Name: _____

Address: _____

Employee's Present Title and/or Position (REQUIRED) _____ Employee No., if any _____

Date of Employment _____

Likelihood of Continued Employment YES NO

Average hours worked per week: Currently _____; Past year _____

Certification: State statutes provide severe penalties for any fraud, intentional misrepresentation, or criminal connivance or conspiracy proposed to influence the approval of the HHFDC. The undersigned is a representative of the Employer authorized to provide employment information for the above-named Employee; or is employed by the Employer in the capacity to provide such information (e.g. payroll department).

Legal Name of Employer: _____

Signature _____ Title _____ Date _____

Preparer's Name (Print): _____ Phone No. _____

EMPLOYER – RETURN COMPLETED FORM TO EMPLOYEE