



632 Kinoole Street
Hilo, Hawaii 96720-3894
(808) 930-1400
(800) 216-2666
hfsfcu.org

HONOKA'A

45-3600 Mamane Street
Honoka'a, Hawaii 96727-6971

KEA'AU

16-589 Old Volcano Road
Kea'au, Hawaii 96749-8103

**KONA COAST
SHOPPING CENTER**

74-5586 Palani Road, Suite 5
Kailua-Kona, Hawaii 96740-3119

PRINCE KUHIO PLAZA

111 East Puainako Street
Hilo, Hawaii 96720-5288

WAIMEA CENTER

65-1158 Mamalahoa Hwy, Suite 21
Kamuela, Hawaii 96743-8492

To: Real Estate Applicant

HFS Federal Credit Union would like to thank you in advance for completing the attached Uniform Residential Loan Application. We strive to meet and exceed our member's financial goals and will work with you closely as you move through the Real Estate loan process. The application attached is designed to gather the majority of information we need to process your Real Estate needs. If you have any questions as you are completing the application please don't hesitate to contact us at 930-1436 or 930-1437. Remember we are here to help, and will walk you through each step. The completed application may be turned into any of our six branch locations and we will contact you within three (3) business days with a preliminary decision. If we are in need of further information or have questions about your application you will be notified as soon as possible.

Thank you again for taking the time to complete the attached application. It is our pleasure to help you make your Real Estate Loan process both easy and rewarding. We look forward to working with you in the near future.

Sincerely,

Lola L. Wakida
Assistant Loan Manager



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REAL ESTATE APPLICANTS A GUIDE TO CONSTRUCTION TO PERMANENT LOANS

HFS Federal Credit Union is committed to providing quality financial products to its members. As your Credit Union we hope to help you achieve financial success and to make your dreams of building a home a reality. Included in this document you will find lending requirements, terms and conditions for our mortgages, your responsibilities as an applicant, and documents necessary for loan processing.

LOAN REQUIREMENTS:

1. All property(s) must be located in the State of Hawaii.
2. All loans must be granted and approved under the status of owner occupant. This means that the dwelling is or will be the borrower's principal residence.
3. Maximum loan amount is \$1,149,825.00.

YOUR RESPONSIBILITIES AS AN APPLICANT:

Member will be responsible for all expenses incurred to secure the loan. This includes an initial deposit of \$1,000.00 to defray expenses for:

- a. Appraisal fee(s)
- b. Residential Mortgage Credit Report(s)
- c. Inspection fee(s)
- d. Flood Certification fee(s)
- e. Other incidental expenses that may be incurred to secure the loan.

Note: Member will pay before final closing, any outstanding expenses exceeding the \$1,000.00 deposit. Member will be refunded any balance of the \$1,000.00 initial deposit at first disbursement, or any balance can be applied to escrow costs.

CONSTRUCTION TO PERMANENT LOANS:

REPAYMENT:

1. **Construction Phase.** The maximum repayment term shall not exceed one year (12 months). Monthly interest-only payments on amount disbursed are required during construction.
2. **Permanent Phase.** Construction-to-permanent loans automatically convert from a construction loan to a permanent mortgage loan after one year (maximum repayment for any construction loan) without the execution of additional loan documents. The maximum repayment term for the first mortgage shall not exceed 30 years (360 months). Once the loan converts to a permanent first mortgage loan, a monthly payment of principal and interest is required.



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INTEREST RATES:

- 1. Construction Phase.** Interest rate for the construction phase will be 1.5% above the selected rate of the member's permanent financing.
- 2. Permanent Phase.** Interest rate for the permanent phase will be selected prior to closing from the credit unions available 15 or 30 year first mortgage options.

DOCUMENTS NECESSARY TO PROCESS LOAN:

These documents are to be provided at time of submittal of online or written application or shortly thereafter. Please remember further processing of your loan may be delayed without having the following documents.

Type of Loan	Documents Needed	Additional Notes
Construction	1. Copy of tax assessment 2. Copy of deed 3. Copy of Contract of Sale 4. Employment Verification 5. Deposit(s) Verification (current statements) 6. Copy of current paystubs (1 months' worth) 7. Prior 2 year's signed tax return 8. Prior 2 year's W2 for each applicant 9. Proof of Fire Insurance 10. Proof of Hurricane Insurance 11. Proof of Flood Insurance (if necessary) 12. Evidence of Road Maintenance Agreement (if necessary) 13. Approved plans from County Planning Department 14. Performance Bond 15. Construction Contract 16. Copy of Building Permit 17. Completion Notice 18. Home Inspection must be done prior to final disbursement.	Proof of Fire, Hurricane, and Flood (if necessary) Insurance, must be provided by final closing.



hfs

FEDERAL CREDIT UNION

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Construction Loan Checklist:

This checklist is provided as a guide to assist you through the necessary steps during the construction of your home.

- Purchase/acquire land for proposed dwelling. Land must be recorded in applicant's name prior to applying for a Construction to Permanent Loan. (Financing programs for Vacant Land are available).
- Determine architectural plans to be used for new home.
- Select contractor (none if Owner Builder).
- Complete Construction Contract and Material cost breakdown.
- Have architectural plans stamped by engineer.
- Have wastewater plans approved by the State of Hawaii DOH.
- Submit stamped architectural plans and all required documentation along with your application for a Building Permit to the County of Hawaii Planning Department.
- Building permit is issued.
- Complete HFS FCU's construction loan application and submit approved architectural plans, construction contract, and building permit.
- Submit approved house plans and completed bonding application to selected bonding company (HFS FCU accepts performance bonds through HPM, Honsador, and Pacific Source).
- HFS FCU submits approved architectural plans for current appraisal.
- HFS FCU issues final loan approval.
- Proof of property, homeowners, fire and extended coverage insurance (including hurricane coverage) for not less than 100% of replacement cost, naming the Credit Union as loss payee must be submitted to credit union. Policy must not expire 60 days from date of closing.

Maximum deductible are as follows:

Homeowner Insurance: \$5,000.00

Hurricane Insurance: 5% of limits on dwelling and other structures.

- First loan disbursement used to pay off existing financing for vacant land as applicable.



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- Construction Starts.
- Draw schedule will follow detailed Construction Contract (Draw request must be submitted to HFS FCU for each draw).
- HFS FCU will order a Home Inspection to be completed prior to the funding of each draw to confirm completion of stated work.
- Final Plumbing, Electrical, and Building Inspections Complete.
- Bonding Company issues notice of completion.
- HFS FCU releases 5th and final draw 45 days after notice of completion is posted.

ADDITIONAL INFORMATION:

Appraisals/Valuations:

- Member is required to pay all expenses borne by the appraiser or valuation.
- Appraisers must be licensed by the State of Hawaii and be on the approved list used by HFS FCU. No appraisal(s) will be used that are done by an appraiser not listed on the approved HFS FCU list and no appraisal(s) will be honored that are over 180 days old.

Inspections:

- Member will pay all expenses incurred by the Credit Union to perform inspection(s).

Processing Time:

- Estimated processing time is 4-6 weeks

OTHER:

All loans will be written to meet Secondary Market Requirements.

Modified 7/23/2026