

**TESTIMONY FOR BILL 95
February 25, 1991**

By Mayor Jose A. Rivera

My name is Jose A. Rivera, Mayor of Dededo, I am here to testify for Bill 95

With Guam's rapid growth of the local economy, unemployment has declined. Increased wage raises, cost of living allowance and rebates have poured money into the economy. Our young people's dream was to invest in a home of their own. Today most of these working young people rely on two incomes and they conscientiously plan when it comes to raising a family.

Unfortunately, the high prices to buy land and build a new home or buy an existing house is increasingly expensive to realize their dream of owning a home. Real estate values will probably continue to increase since the population of Guam has grown due to new young families, the influx of people from our surrounding islands and foreign investors. The high minimum down payment and mortgage rates to buy a home today also makes it difficult to own a house. For it is very seldom that a young person has the opportunity to save a considerable amount of money for a

down payment.

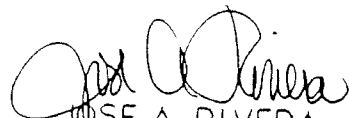
Public Law 20-225 just passed last month would authorized the Governor of Guam to transfer certain property in Dededo to the Guam Housing Corporation to develop affordable housing for sale to over 200 qualified island wide first-time homeowner in which no down payment would be required. However, since the priority for the sale of each unit will be established by a lottery system for island-wide qualified applicants, the chances of none of my village's residents occupying one of this homes is very possible.

Bill 95 would create the Community Affordable Housing Action Trust (CAHAT) With the Government of Guam guarantee loan and subsidy of interest payments, it would definitely be a great assistance to qualified first-time home buyers with their monthly payments. Obtaining financing from a bank or other mortgage lender with the Government guaranting the loan would allow the buyer the freedom to buy an existing house or to have a house build to their specification in an area of their choosing.

It is now time to address good measures that will provide

affordable housing and hope to solve the housing crises. I strongly urge for the passage of bill 95. This is one measure that would provide an opportunity for young people to dissolve the clouds of uncertainty and make the dream of owning a home a reality.

Thank you!



JOSE A. RIVERA

Mayor of Dededo

February 15, 1991

SENATOR FRANCISCO R. SANTOS
21st Guam Legislature
Chairman, Committee on Housing,
Federal & Foreign Affairs
151 Hesler Street
Agana, Guam 96910

re: Testimony on Bill No. 95

Dear Mr Chairman and Committee Members:

My name is Ike C. Santos, a native and resident of Guam testifying in SUPPORT of Bill No. 95, also known as the Community Affordable Home Act Trust or CAHAT.

A dilemma that confronted our island in the late 1970's and onto the 1980's was a "Brain Drain", or the lack of local educated professionals who migrated to areas of better perceived opportunities in particular the continental United States (U. S.). This dilemma is now a problem of the past, resolved by having hundreds of U. S. educated professionals like myself, finally coming back to a place we called home. I guess one could say, we felt "there was no place like HOME".

Whatever the case maybe, we are back and we are here to stay. However, a problem that we are confronted with is the lack of "AFFORDABLE HOMES". For some of us, we live with our parents, and for others like myself, we rent at unreasonable rates all because the means to afford a home is beyond our grasp.

Don't get me wrong, or hundreds of people who are in the same predicament I'm in, our average combined income, husband and wife, is well over \$50,000.00; and still an "AFFORDABLE HOME" toppled with the high cost of living is beyond our earnings.

Having worked as an Assistant Manager for Citibank-Guam, responsible for the Real Estate portfolio, I can attest the problems people like myself are faced with.

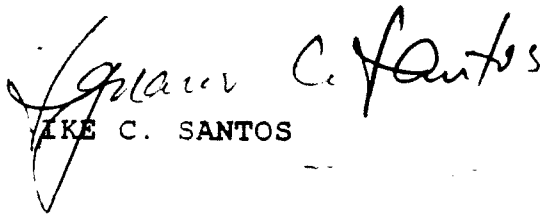
Testimony on Bill 75.
Page 2 of 3.

Financial Institutions are more than willing to finance homes in which we are interested in, but with the unreasonable conditions such as the twenty-percent (20%) down, the cost is beyond our reach. Because we are unable to come up with the 20% down payment, we are finally rejected. For those who wish to build a home, the cost of the Closing Fee combined with the monthly mortgage payments and the present house-rent we are paying while the new-house is being constructed is also beyond our earnings which causes the financial institution to reject our application.

I and hundreds of people like myself, appeal to each Committee member and members of the 21st Guam Legislature to support this Bill. We are not asking for "FREE HANDOUTS", nor are we asking for sympathy. What we are merely asking, is for our Government to intervene and assist those who cannot obtain an affordable home.

This Bill may be our final hope in affording a home we can say is "ours". Don't give us an alternative that our island maybe confronted with as experienced in the late 1970's and 1980's. I am proud of my island. "U gof guiya i' tanota', lo munga manafan hanao ham gi tano mami, Guahan." Don't give us an alternative.

Respectfully yours,


MIKE C. SANTOS

ANTHONY A. LEON GUERRERO
Executive Vice President/
Chief Operating Officer

Bank of Guam

"The People's Bank"

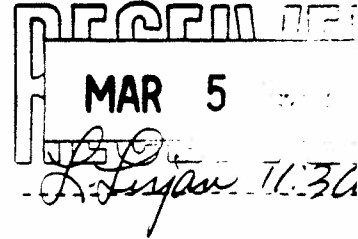
MEMBER OF THE FEDERAL
DEPOSIT INSURANCE CORP.

P. O. Box BW
Agana, Guam 96911
Tel: 472-8865/6/7



Only locally owned Bank - founded 1972 by Jesus S. Leon Guerrero

February 27, 1991



The Honorable Francisco R. Santos
Chairman of Committee of Community
Development
21st Guam Legislature
155 Hernan Cortes St.
Agana, Guam 96910

Re: Bill No. 95 (CAHAT)

Dear Honorable Chairman:

Thank you for giving us an opportunity to respond on Bill No. 95, regarding Community Affordable Housing Action Trust Act (CAHAT). The Bank of Guam fully endorses the concept outlined in Bill 95, however, there are several key points which I feel has to be fully addressed.

To begin with, I presume that what is important here is the provision of long term fixed rate mortgages. As such, it is important that the law satisfy the requirements and risks concerns of the secondary market in the U.S. since most banks and financial institution in Guam would make long term fixed rate loans only if they are able to sell them on the secondary market. In the case of Bank of Guam, we are very active with the Federal Home Mortgage (Freddie Mac) loan program.

Secondly, the insurance provision covering only 20% of the loan may be acceptable but is much less than that which is provided in the market for any mortgage Insurance Companies or FHA. It is important that this program first be reviewed by agencies such as Freddie Mac to insure their acceptance of the program before we spend our time and money pursuing the issue.

Thirdly, we notice that the subsidy provision disappears when the owner occupant vacates the premises. Please note that the analysis of the loan and qualification of the borrower are being determined with the consideration that the subsidy is more or less permanent. This provision may not be acceptable to the secondary market at all.

The Honorable Francisco R. Santos
February 27, 1991
Page 2

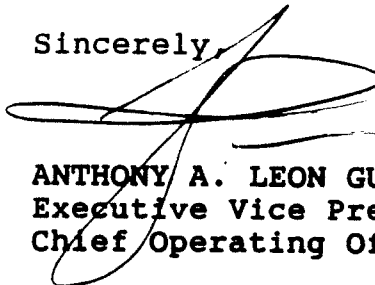
Finally, the acceptability of the Mortgage Insurance Company being established to the secondary market is of key importance. It may well be the case that Freddie Mac would require the insurance company to be either rated, or alternatively be covered by a reinsurance company that is rated in accordance with U.S. standards.

I doubt if the mere putting together of an insurance company would satisfy their concerns, particularly if it is not guaranteed by the full faith and credit of the general fund.

We have provided a copy of this law to Freddie Mac, but have yet to receive their response expressing their concerns. I am sure they need more time to review it. Consequently, we cannot speculate on their views at this point. Upon receipt of any communication from Freddie Mac, we will be happy to discuss their findings with your committee.

Should you have any questions or comments, please do not hesitate to call my office at 472-5273.

Sincerely,



ANTHONY A. LEON GUERRERO
Executive Vice President
Chief Operating Officer

AALG/fhm

February 25, 1991

Velma A. Sablan-Martinez
P.O. Box 20284
GMF Barrigada, Guam 96921
Ph: 649-3418

Chairman, Committee on Housing
and Community Development
21st Guam Legislature
Agana, Guam 96910

Dear Mr. Chairman,

This testimony on Bill 95 is being delivered by my friend and colleague, Dr. Bruce G. Karolle, because I am unable to be in the Session Hall this morning due to my responsibilities in Pohnpei, FSM for the University of Guam. The importance on this bill for local residents is critical and I am grateful to Dr. Karolle for agreeing to present this to you this morning on my behalf.

I am Velma Antonia Sablan-Martinez, an Assistant Professor at the University of Guam. I am a divorced mother of two sons, Francisco, age 11 years and Eduardo, age 7 years. I have lived on Guam for most of my life. My parents, now deceased, lived in their own home in Agana Heights and I was reared in a very traditional Chamorro household by a loving and supportive extended family. The home we lived in was built by my parents, the land that the house was on was given to my mother, Antonia Cruz Sablan, by my maternal grandfather, Francisco Martinez Cruz. At the time of my parents death, the house and lot which they owned was given to my eldest sister, Catherine Sablan Gault. Because there are five children in our family, further division of the property was not possible.

It has always been my parents desire that all their children remain on Guam to live and work here. This has not been easy due to the cost of living and availability of affordable housing here on Guam. The economy of this island has reached a point where, a young family such as mine, continually worries about housing. The price of even substandard housing or land has become unreachable for many of the residents of this island. We are forced to pay high priced rent that is continually being driven upward by the volume of transient people

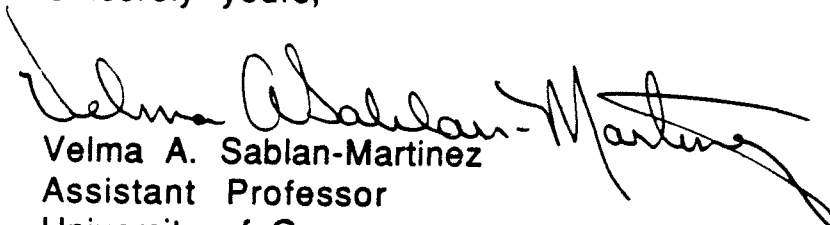
who come to Guam from the both east and west who are here for only short periods of time then leave. The problem is even further compounded by rising medical and dental costs, inflation, taxes, and the ever increasing price we pay for power and water. Will there be any relief to this? I believe that Bill 95 offers a possible solution to some of these problems.

The CAHAT Bill will allow many families on this island to own their homes without compromising the very lives of our children. It will allow a single mother like myself an opportunity to give to my children what my parents and grandparents were able to give to their children. Bill 95, if passed into law, will give my sons and the sons and daughters of other families who love this island, a chance to own a piece of that which is their birthright.

I appeal to the members of the Legislature to support Bill 95 so that, a fair and equitable chance is given to the many hard working people of this island who want so much to have homes here on Guam and a chance to give to our children a legacy which will serve the people of this island for generations.

Thank you for your attention.

Sincerely yours,


Velma A. Sablan-Martinez
Assistant Professor
University of Guam

February 17, 1991

SENATOR FRANCISCO R. SANTOS
21st Guam Legislature
Chairman, Committee on Housing,
Federal & Foreign Affairs
151 Hesler Street
Agana, Guam 96910

re: Testimony on Bill No. 95

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Testimony on Bill 75.

Page 2 of 2.

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Respectfully yours,


MIKE C. SANTOS

**COMMUNITY AFFORDABLE HOUSING ACTION TRUST
PUBLIC HEARING 2/25/91
TESTIMONY ON BILL 95**

The Cahat program as proposed is inadequate and fatally flawed. There are many loopholes that need to be cleared and strengthened; there are too many conflicting sections that need to be addressed. There are deficiencies in the program that require thorough planning and implementation.

The study was prepared to give an analytical perspective of the Community Affordable Housing Act. It is intended to evaluate the program, determine the criteria for eligibility and review the appropriations to implement the program. Furthermore, make recommendation if any.

The Cahat program was intended to provide financial assistance to First-Time-Homeowners who are unable to obtain home financing from qualified lending institutions. The program furthermore will assist the homeowner through an interest-subsidy program financed by a private lending institution with the cooperation of the Government of Guam.

The Homeowner must first be rejected by three (3) lending institutions in order to be eligible for the program.

HISTORY

The Interest Subsidy Housing Program originally, and is still in existence, established by the United States Department of Housing and Urban Development (HUD) in 1968. Since the inception of the program HUD has insured 84,409 units totaling 3 billion dollars.

The nature of the program is to enable eligible families to purchase new homes that meet HUD standards. HUD insures mortgages and makes monthly payments to lenders to reduce interest rates to as low as 4 percent. The homeowner must contribute 20 percent of adjusted income to monthly mortgage payments and must make a downpayment of 3 percent of the cost of acquisition.

TITLE: HOMEOWNERSHIP ASSISTANCE FOR LOW- AND MODERATE-INCOME FAMILIES (SECTION 235), Administered by U.S. Dept of HUD.

DESCRIPTION OF CAHAT PROGRAM

The program parameter is as follows:

Mortgage Loan Maximum:	\$100,000.00
Eligibility requirements:	First-Time Homeowner
Mortgage Lending Rate:	Based on average rate use by U.S. Banking Institution
Purpose of Loan:	To purchase or construct new home

APPROPRIATIONS

Cahat Subsidy Program.....	\$3,000,000.00
G.H.C. Subsidy Fund.....	2,000,000.00
Gov't Loan Gurantee Fund.....	1,000,000.00

	\$6,000,000.00
	=====

Note: Based on the above information, the number of loans or families who can be assisted is approximately 30.

Based on the number of loans Guam Housing Corporation financed for the last 4 years (1986-1989) averaged out to 88.

PROPOSAL/RECOMMENDATION:

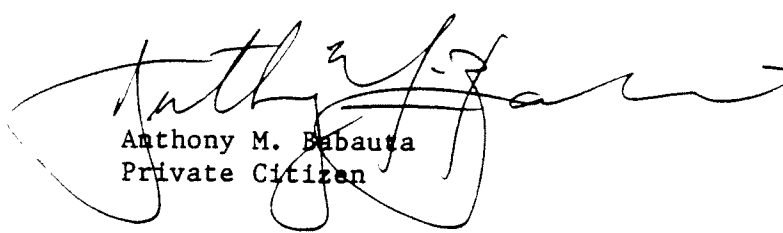
The CAHAT program is by far superior to conventional, FHA and VA lending programs and exceeds the present existing Guam Housing Corporation Program.

The CAHAT proposal will no doubt provide the much needed financial assistance to the low-income families as intended, but it will also attract a higher number of moderate-income families who will be eligible under the program.

I recommend that the program be restricted to First-Time Homeowners and increase the appropriation to 8 Million dollars on an annual basis.

The applicant must sign an affidavit declaring the following:

- 1) That he/she is a citizen of the U.S. or a certified resident alien.
- 2) He or She is a bonafide resident of the Territory of Guam.
- 3) He or She is 18 years of age or older.
- 4) He/She or any member of household does not own or have any interest in any principal residence or beneficial interest in a land trust or have not owned for a period of three years prior to the date of application any household or residence. And, lastly, that he/she will occupy the property financed by this program as his/her primary residence.



Anthony M. Babauta
Private Citizen

MY NAME IS DON DICKENS PRESIDENT OF RADVA PACIFIC CORPORATION.
MYSELF AND MY EMPLOYEES WOULD LIKE TO TAKE THIS OPPORTUNITY TO
SUPPORT THE CAHAT BILL THAT THE GOVERNOR IS SPONSORING TO PROVIDE
AFFORDABLE HOUSING FOR THE PEOPLE OF GUAM.

AS A MANUFACTURER OF BUILDING PRODUCTS ON GUAM WE HAVE WATCHED
AND PARTICIPATED IN ON THE UNPRECIDETED CONSTRUCTION BOOM ON GUAM
OVER THE LAST 4 YEARS. BUT, THE YOUNG FAMILIES WHO LIVE HERE HAVE
GRADUALLY SEEN THEIR ABILITY TO OWN THEIR OWN LAND AND HOMES GO OUT
OF THEIR REACH BECAUSE OF THE HIGH COST OF CONSTRUCTION AND THE
HIGH COST OF FINANCING.

THIS BILL WILL GIVE THOSE WHO HAVE THE ABILITY TO REPAY THEIR
LOAN BUT DO NOT HAVE COLLATERAL OR A DOWNPAYMENT, A CHANCE TO SHARE
IN THE PROSPERITY.

WE AT RADVA PACIFIC WILL DO OUR PART TO KEEP HOUSES AFFORDABLE
AND AGAIN WE SUPPORT THIS BILL.

SENT BY:

3-12-92 12:13PM : GUAM HOUSING CORP. -

4773353:# 1/ 5



Guam Housing Corporation

P.O. Box 3457 • Agaña, Guam 96910 • Phone No. 649-GHC1-3 • Fax: 649-4420
Located on the 2nd Floor, Century Plaza, Tamuning



FACSIMILE INFORMATION PAGE

PLEASE DELIVER TO: Peter J. Leon Guerrero, GHC/Pres
C/o: Senator Santos
Total pages including this page: - 5 - fax: 477-3048

NOTICE: If you do not receive legible copies of all the pages, please call back as soon as possible: (671) 649-4421/22/23 and ask for sender.

Shirley Curran
SENT BY: Executive Secretary Date: 3/12/92 Time: 12:14 PM

Reference: \$2.5 MM Commitment Letter
from Bank

COMMENTS

(Guam Savings, First Hawaiian Bank of Hawaii
Bank of Guam)

[Signature]

Guam Savings

"Where Others Put Branches We Place Roots"

GHC

JAN 28 1992

RECD 

JANUARY 24, 1992

MR. PETER LEON GUERRERO
PRESIDENT
GUAM HOUSING CORPORATION
P. O. BOX 3457
AGANA, GUAM 96910

VIA FAX NUMBER 649-4420

DEAR PETER:

THE MEMBERS OF THE BOARD OF DIRECTORS OF GUAM SAVINGS ARE FULLY COMMITTED TO THE COMMUNITY AFFORDABLE HOUSING ACTION TRUST.

AS A RESULT THE BOARD HAS ASKED THAT WE EXTEND AN INVITATION TO YOU TO ATTEND OUR NEXT REGULAR MONTHLY MEETING OF THE BOARD WHICH WILL TAKE PLACE ON THE MORNING OF SATURDAY, FEBRUARY 22, 1992. AT THE MEETING THE BOARD WOULD LIKE TO DISCUSS CAHAT IN DETAIL.

THE BOARD IS ALSO MOST ANXIOUS TO HEAR A REPORT ON YOUR RECENT MEETING IN SEATTLE AS A MEMBER OF THE FHLB'S AFFORDABLE HOUSING COMMITTEE.

WE WILL CONTACT YOU PERSONALLY SOON TO DISCUSS OUR INVITATION.

THANK YOU.

WITH BEST REGARDS, WE REMAIN,

CORDIALLY YOURS,


PHILIP J. FLORES
PRESIDENT

CC: LOAN DEPARTMENT
CRA FILE

**First Hawaiian Bank**

AGANA BRANCH, P.O. Box 40, Agana, GU 96910-8929

November 8, 1991

Mr. Peter J. Leon Guerrero
Guam Housing Corporation
P.O. Box 3457
Agana, Guam 96910

Re: Guam Housing Corporation
Affordable Housing Program (CAHAT)

Dear Mr. Leon Guerrero:

First Hawaiian Bank (FHB) will provide \$2.5 million for Fixed Rate loan financing to first time home buyers under your Affordable Housing Program with the following proposed parameters:

1. 95% LTV with 5% down payment by the borrower.
2. Guam Housing Authority will insure 20% of the loan limiting the maximum exposure to FHB at 75%.
3. Maximum debt qualifying ratios: 28/36%.

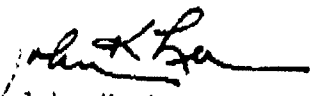
Prior to the funding of any FHB loan under this program, FHB would like to review and approve any origination and servicing procedures and agreements as well as the Guam Mortgage Insurance Program relative to the above program.

Thank you for allowing our Bank to participate in this new loan program.

Please contact me at 477-7851 if you have any questions on this matter.

Sincerely,

FIRST HAWAIIAN BANK


John K. Lee
Senior Vice President &
Regional Supervisor



GHC

1991

REC'D

September 18, 1991

Mr. Peter J. Leon Guerrero
President
Guam Housing Corporation
P.O. Box 3457
Agana, Guam 96910

RE: Governor Ada's Request for Non-Conforming Mortgage Loans

Dear Mr. Leon Guerrero:

Please advise Governor Ada that the Bank of Hawaii will provide \$2.5 million for the Affordable Housing Program with the following tentative parameters:

- (1) Thirty (30) year fixed rate first mortgage loans.
- (2) Ninety-five percent (95%) LTV with 5% down by borrower.
- (3) Eligibility limited to first-time home buyers.
- (4) Applicants must fall within 140% of the HUD established median income for Guam.
- (5) The Government of Guam through Guam Housing Corporation will guarantee up to 30% of each loan.
- (6) Possibly 33% loan-to-income and 38% debt-to-income ratios with mandatory homeowners counseling to be provided through Guam Housing Corporation.

Prior to any loan closing, we would like to review the set up procedures in obtaining the mortgage insurance guarantee up to 30% through Guam Housing Corporation.

We are proud to be included in Governor Ada's quest to provide affordable housing to the people of Guam.

Sincerely,

A handwritten signature in cursive script, appearing to read 'R. Blume'.

Robert W. Blume
Senior Vice President

JESUS S. LEON GUERRERO
President & Chairman of the Board

Bank of Guam

"The People's Bank"

MEMBER OF THE FEDERAL
DEPOSIT INSURANCE CORP.

P. O. Box BW
Agana, Guam 96910
Tel: 472-8865/6/7



Only locally owned Bank - founded 1972 by Jesus S. Leon Guerrero

July 23, 1991

Peter J. Leon Guerrero
President
Guam Housing Corporation
P.O. Box 3457
Agana, Guam 96910

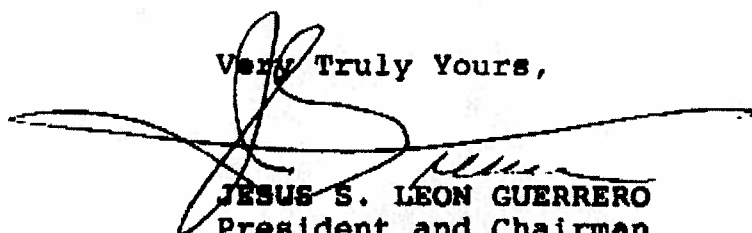
Dear Mr. Leon Guerrero,

This is to acknowledge receipt of your letter dated July 11, 1991.

Just a correction on your letter, the amount of our commitment is \$2.5MM and not \$5MM. As you develop the information on your mortgage program please contact Mr. William Leon Guerrero, SVP/Credit Administrator.

Should you have any further questions, please do not hesitate to contact me.

Very Truly Yours,



JESUS S. LEON GUERRERO
President and Chairman
of the Board

**PRESENTATION ON
BILL NO. 95
BY
GUAM HOUSING CORPORATION**



**AFFORDABLE HOUSING
OPPORTUNITIES
THROUGH**

HOUSING INITIATIVES

THE AFFORDABILITY GAP

- **1991 MEDIAN INCOME : \$32,700.**
- **1991 AVERAGE HOME PRICE : \$175,000**

FINANCIAL RESOURCES NEEDED TO BUY A \$175,000 HOME

EXAMPLE 1: 20% Down Payment: \$35,000

- Monthly Payment On a \$140,000 Loan: \$1,307
- Minimum Required Annual Income: \$56,016

EXAMPLE 2: 5% Down Payment: \$8,750

- Monthly Payment on a \$166,250 Loan: \$1,519
- Minimum Required Annual Income: \$65,100

*30 year loan
9% interest rate*

THE GAP GROUP

- **Landless Residents**
- **Households With Incomes Over FmHA Limit**
- **Households with Incomes Under Commercial Lender Underwriting Requirements**
- **Households Without Down Payment Ability**

BRIDGING THE GAP

- **Financial Assistance Programs**
- **Affordable Housing Development**
- **Housing Information/Public Awareness**

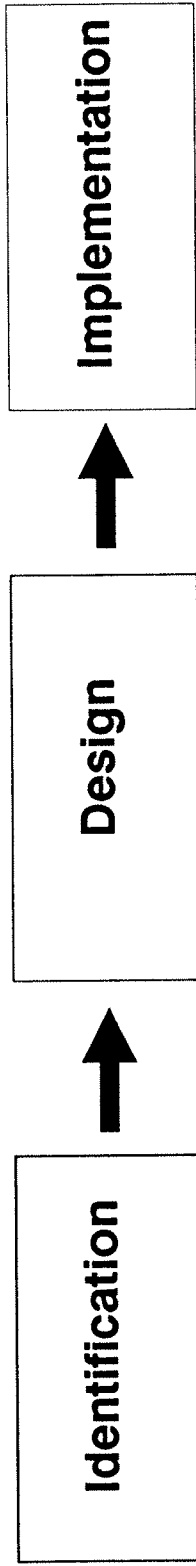
GOALS OF A FINANCIAL ASSISTANCE PROGRAM

- **Maximize Resources**
- **Recycle Funds**
- **Maximize Number Assisted**
- **Minimize Burdens**
- **Bridge the Gap**

GOALS OF AN AFFORDABLE HOUSING DEVELOPMENT PROGRAM

- **Construct Homes According To Target Income Groups (Gap Group, Etc.)**
- **Provide For Integration**
- **Prevent Speculation**
- **Develop Housing Standards**

DEVELOPING BILL NO. 95



IDENTIFICATION

- **COMMUNITY HOUSING GOALS**
- **NEEDS OF CONSTITUENT GROUPS**
- **CONSTRAINTS**
 - Market
 - Lenders, FNMA/FHLMC
 - Legal and Regulatory
- **RESOURCES**
 - Governmental
 - Private Sector

PROGRAM DESIGN

- **Financial Structure**
 - Assistance Levels
 - Funding Levels
 - Returns on Assistance

- **Programmatic Structure**
 - Eligibility
 - Priority
 - Termination

- **Development Structure**
 - Development Impact Opportunities
 - Incentives For Affordable Housing Development
 - Direct government Involvement
 - Master Planned Development

- **Organizational Structure**

IMPLEMENTATION

- **Enactment of Bill No. 95**
- **Administrative Guidelines**
- **Legal Documentation**
- **Lender Participation**
- **Lending Community Relationships**
- **Resource Center Set-up**
- **Marketing**
- **Monitoring**
- **Engage Planning Firm (Pagat)**

BILL NO. 95 ASSISTANCE TECHNIQUES

- **Monthly Mortgage Assistance**
 - CAHAT
 - 6% Loan Program
- **Downpayment Assistance**
 - CAHAT
 - GHMIC
- **Master Planned Community**
 - Pagat

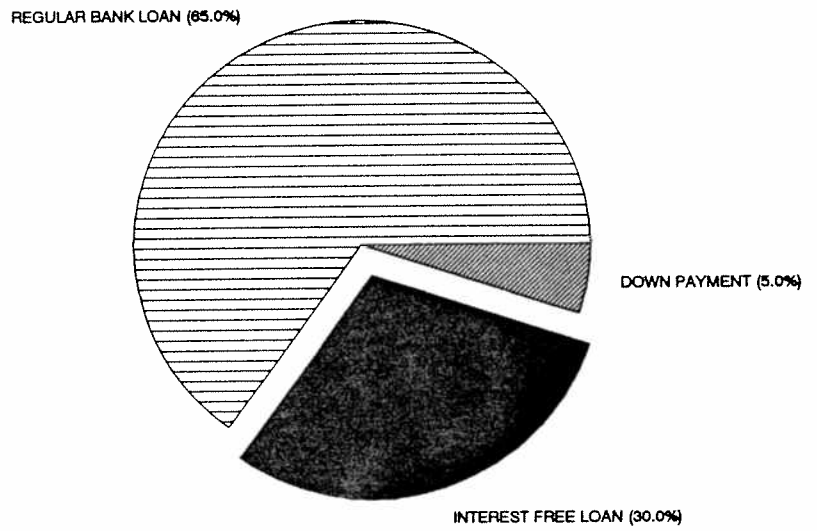
SOFT SECOND ADVANTAGES

1. Lower Down Payment (5% as opposed to the standard 20%)
2. Reduction in debt service requirements or increased Home Purchasing Power.
3. Maximize Use of Government Funds.
4. Funds are recycled (w/ subsidy programs, the funds are gone for good).
5. Marketability of Loans.
6. The borrower is not required to pay expensive discount points normally associated with down payment assistance programs such as the FHC and VA programs.

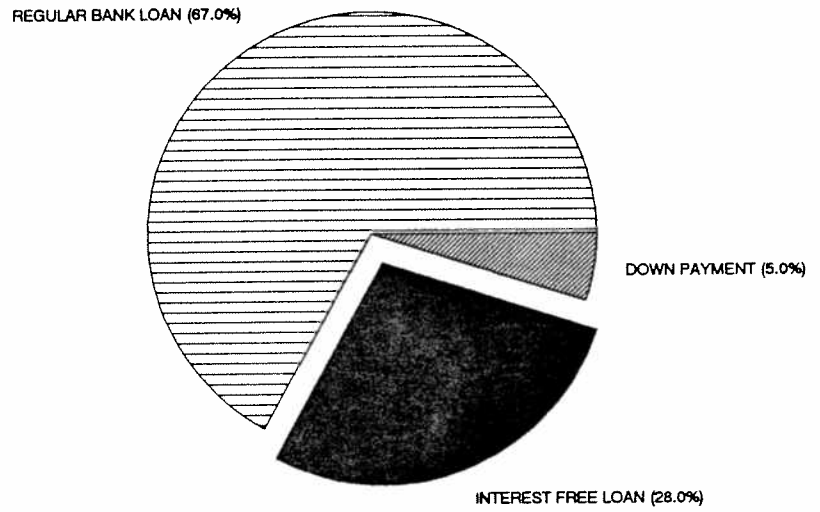
COMMUNITY AFFORDABLE HOUSING ACTION TRUST (CAHAT)

INTEREST FREE LOAN PROGRAM

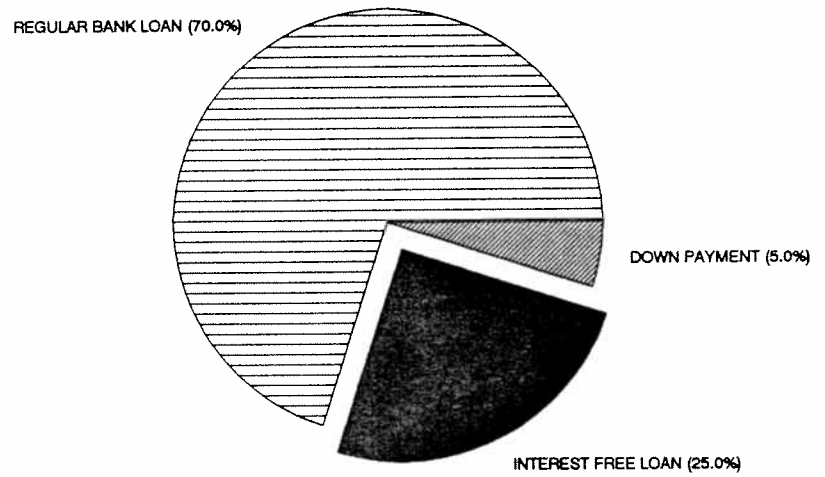
SCHEDULE I



SCHEDULE II



SCHEDULE III

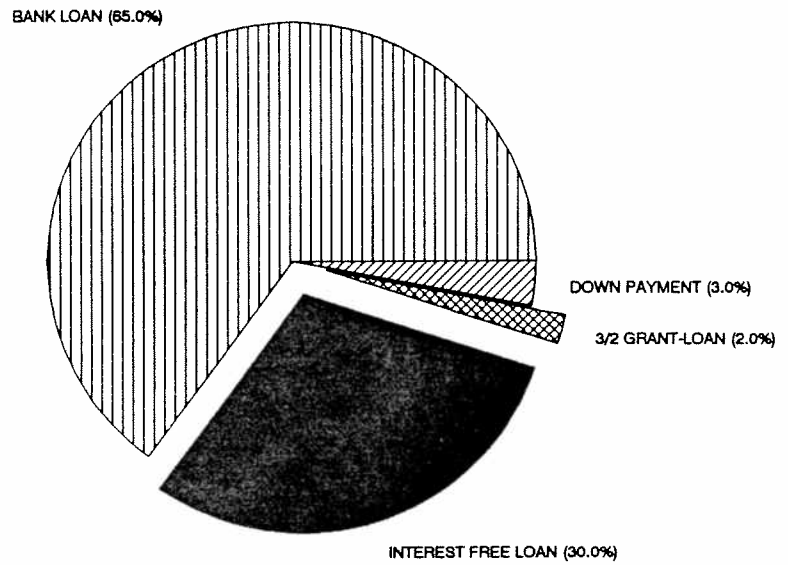


COMMUNITY AFFORDABLE HOUSING ACTION TRUST (CAHAT)

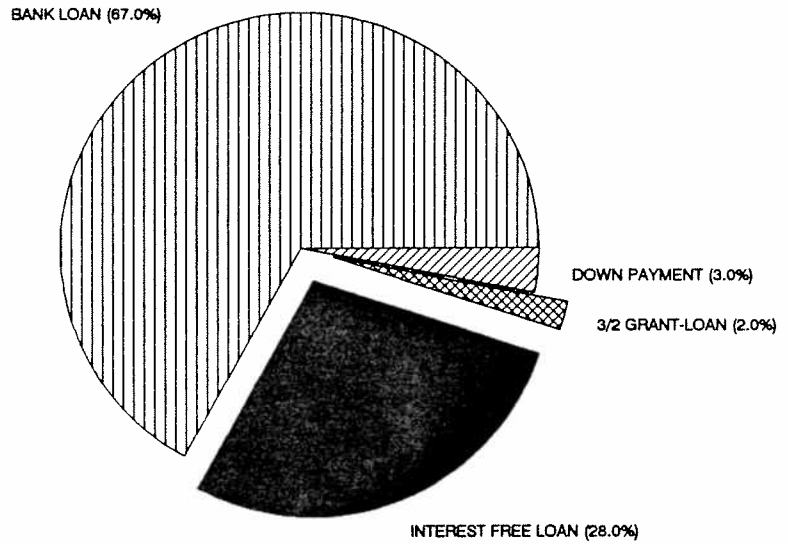
INTEREST FREE LOAN PROGRAM

WITH 3/2 OPTION

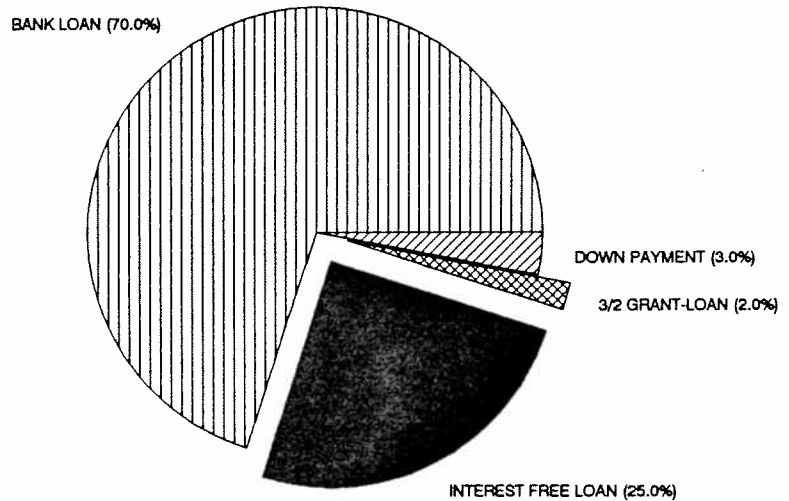
SCHEDULE I



SCHEDULE II



SCHEDULE III



SOFT SECOND EXAMPLES USING CAHAT

Guam Housing Corporation Lending Program

SCHEDULE I

APPLICANT'S INCOME: \$26,160.00
GHC LENDING RATE: 10.75%
TERM: 30 YEARS

W/ SOFT SECOND:

QUALIFIED HOME PRICE: \$106,000.00
DOWN PAYMENT: \$5,300.00
FIRST MORTGAGE: \$50,700.00
SOFT SECOND: \$50,000.00
MONTHLY PAYMENT: \$716.00
NET EFFECTIVE YIELD: 6.13%

W/O SOFT SECOND & 20% DOWN:

QUALIFIED HOME PRICE: \$86,290.00
DOWN PAYMENT: \$17,258.00
FIRST MORTGAGE: \$69,032.00
MONTHLY PAYMENT: \$716.00

SCHEDULE II

APPLICANT'S INCOME: \$27,975.00
GHC LENDING RATE: 10.75%
TERM: 30 YEARS

W/ SOFT SECOND:

QUALIFIED HOME PRICE: \$110,000.00
DOWN PAYMENT: \$5,500.00
FIRST MORTGAGE: \$54,500.00
SOFT SECOND: \$50,000.00
MONTHLY PAYMENT: \$755.53
NET EFFECTIVE YIELD: 6.31%

W/O SOFT SECOND & 20% DOWN:

QUALIFIED HOME PRICE: \$91,054.00
DOWN PAYMENT: \$18,211.00
FIRST MORTGAGE: \$72,843.00
MONTHLY PAYMENT: \$755.53

SOFT SECOND EXAMPLES USING CAHAT

GUAM HOUSING CORPORATION LENDING PROGRAM

SCHEDULE III

APPLICANT'S INCOME: \$31,065.00
GHC LENDING RATE: 10.75%
TERM: 30 YEARS

W/ SOFT SECOND:

QUALIFIED HOME PRICE: \$120,000.00
DOWN PAYMENT: \$6,000.00
FIRST MORTGAGE: \$64,000.00
SOFT SECOND: \$50,000.00
MONTHLY PAYMENT: \$854.02
NET EFFECTIVE YIELD: 6.71%

W/O SOFT SECOND & 20% DOWN:

QUALIFIED HOME PRICE: \$102,924.00
DOWN PAYMENT: \$20,585.00
FIRST MORTGAGE: \$82,339.00
MONTHLY PAYMENT: \$854.02

SCHEDULE IV

APPLICANT'S INCOME: \$35,970.00
GHC LENDING RATE: 10.75%
TERM: 30 YEARS

W/ SOFT SECOND:

QUALIFIED HOME PRICE: \$130,000.00
DOWN PAYMENT: \$6,500.00
FIRST MORTGAGE: \$73,500.00
SOFT SECOND: \$50,000.00
MONTHLY PAYMENT: \$952.51
NET EFFECTIVE YIELD: 7.04%

W/O SOFT SECOND & 20% DOWN:

QUALIFIED HOME PRICE: \$114,794.00
DOWN PAYMENT: \$22,959.00
FIRST MORTGAGE: \$91,835.00
MONTHLY PAYMENT: \$952.51

SOFT SECOND EXAMPLES USING CAHAT

FINANCIAL INSTITUTION LENDING PROGRAM

SCHEDULE I

APPLICANT'S INCOME: \$39,240.00
GHC LENDING RATE: 9.00%
TERM: 30 YEARS

W/ SOFT SECOND:

QUALIFIED HOME PRICE: \$130,000.00
DOWN PAYMENT: \$6,500.00
FIRST MORTGAGE: \$84,500.00
SOFT SECOND: \$39,000.00
MONTHLY PAYMENT: \$915.75
NET EFFECTIVE YIELD: 6.59%

W/O SOFT SECOND & 20% DOWN:

QUALIFIED HOME PRICE: \$128,038.00
DOWN PAYMENT: \$25,608.00
FIRST MORTGAGE: \$102,430.00
MONTHLY PAYMENT: \$915.75

SCHEDULE II

APPLICANT'S INCOME: \$50,865.00
GHC LENDING RATE: 9.00%
TERM: 30 YEARS

W/ SOFT SECOND:

QUALIFIED HOME PRICE: \$161,000.00
DOWN PAYMENT: \$8,050.00
FIRST MORTGAGE: \$112,950.00
SOFT SECOND: \$40,000.00
MONTHLY PAYMENT: \$1,177.84
NET EFFECTIVE YIELD: 7.23%

W/O SOFT SECOND & 20% DOWN:

QUALIFIED HOME PRICE: \$164,683.00
DOWN PAYMENT: \$32,937.00
FIRST MORTGAGE: \$131,746.00
MONTHLY PAYMENT: \$1,177.84

SOFT SECOND EXAMPLES USING CAHAT

FINANCIAL INSTITUTION LENDING PROGRAM

SCHEDULE III

APPLICANT'S INCOME: \$60,495.00
GHC LENDING RATE: 9.00%
TERM: 30 YEARS

65,444

W/ SOFT SECOND:

QUALIFIED HOME PRICE: \$188,000.00
DOWN PAYMENT: \$9,400.00
FIRST MORTGAGE: \$138,600.00
SOFT SECOND: \$40,000.00
MONTHLY PAYMENT: \$1,410.72
NET EFFECTIVE YIELD: 7.32%

W/O SOFT SECOND & 20% DOWN:

QUALIFIED HOME PRICE: \$197,243.00
DOWN PAYMENT: \$39,449.00
FIRST MORTGAGE: \$157,794.00
MONTHLY PAYMENT: \$1,410.72

AFFORDABLE HOUSING FINANCIAL ASSISTANCE PROGRAMS

<u>Name of Program</u>	<u>Income Assistance Range</u>	<u>Repayment Assistance</u>	<u>Down Payment Assistance</u>
FmHA Direct Loan Program:	Below 80% of Median	Yes	Yes
FmHA Loan Guar. Program:	Below 100% of Median	No	Yes
CAHAT GHC Program:	80% to 120% of Median	Yes	Yes
CAHAT Bank Program:	100% to 200% of Median	Yes	Yes
GHMIC Program:	Up to 260% of Median	No	Yes
FHA Insurance Program:	No Limit	Negative (High Points)	Yes
Conventional Mortgages:	No Limit	No	No

BILL NO. 95 FINANCIAL ASSISTANCE PROGRAMS

SECTION 2: Financial Institution Lending Program
Income Levels: 100% to 200% Of Median
Income Ranges: \$32,700 to \$65,400

SECTION 3: GHC Lending Program
Income Levels: 80% to 120% Of Median
Income Ranges: \$26,160 to \$39,240

SECTION 6: Guam Housing Mortgage Insurance Corp
Income Levels: Those W/Repayment Ability
but W/O Down Payment
Resources

PROGRAM COMAPRISON

	MARKET MORTGAGE @ 9%	GHMIC INSURED MORTGAGE @ 9%	MARKET MORTGAGE @ 9% AND INTEREST FREE SOFT SECOND	MARKET MORTGAGE @ 9% 3/2 OPT AND INTEREST FREE SOFT SECOND
HOME PRICE:	\$140,000	\$140,000	\$140,000	\$140,000
1ST MORTGAGE:	\$112,000	\$133,000	\$98,000	\$98,000
SOFT 2ND MORTGAGE:	----	----	35,000	35,000
DOWN PAYMENT:	28,000	7,000	7,000	4,200
3/2 OPTION:	----	----	----	2,800
MONTHLY PAYMENTS:				
1ST MORTGAGE:	\$901.18	\$1,070.15	\$788.53	\$788.53
SOFT 2ND MORTGAGE:	----	----	97.22	97.22
HAZARD INSURANCE:	117.83	117.83	117.83	117.83
REAL ESTATE TAXES:	20.00	20.00	20.00	20.00
M.I. PREMIUMS:	----	40.00	----	----
TOTAL MONTHLY PMT:	\$1,039.01	\$1,247.98	\$1,023.58	\$1,023.58
ANNUAL INCOME REQUIRED:	\$44,529	\$53,485	\$43,868	\$43,868