



**Do you want to become a HAP Broker?
Read the basics to have an understanding about the program!**

4/11/97 Notes from Free Workshop : HAP (Homeowners Assistance Program)

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Do you know if any of your clients qualify/qualified for this program? Help your military or federal civilian clients AVOID selling their homes at a loss... The Government has a program which may offer relief.

This program was developed to assist eligible military members and federal civilian and Non-Appropriated Fund employees who, to no fault of their own, face a financial loss when selling their homes in areas where real estate values have declined because of a Base Closure or Realignment. The Department of Defense (DOD) designated the U.S. Army to administer HAP for the entire DOD and Coast Guard. This program was authorized in section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966, as amended.

How does HAP work?

In general, HAP works in three ways. The Government can reimburse you for part of your loss from selling your home, or the Government can buy your home by paying off the mortgage, or HAP can help you if you default on your mortgage.

Who is eligible for HAP in Hawaii? General Eligibility Details:

Employed at or near Barber's Point = ALL Oahu

Employed by announcement date of Barbers Point Program: 4/12/91 3/12/93 5/1/95

Retirees can leave area with no job required, Others - must have transferred based on employment.

Also eligible are personnel transferred or terminated within six months prior to the

announcement who were owner-occupants at the time of transfer; and Civilian and military personnel on an overseas tour who transferred within 3 years of announcement date and who are homeowners in the area; and Civilian employee homeowner on an overseas tour with reemployment rights in the area affected by the closure; and A military member homeowner ordered into on-post housing within six months prior to the announcement. In addition, applicants must be relocating beyond commuting distance from the area. Remember Must be Owner and Occupied property and transferred off island or retired.

If you think that you may be eligible, need to submit an application for a formal determination.

9/30/99 program ends for applicants mandated by Congress

How do I apply for HAP benefits?

Basic application is made on DD Form 1607, application for Homeowners Assistance Program. Part III of the form must be completed by your personnel officer. In addition, you must submit a variety of documents to show evidence of your ownership of the property, your occupancy dates, your assignment orders, your efforts to sell the home (whether it was sold), and mortgage details.

Call the Corps of Engineers office for clarification and application:
1-800-811-5532 (7 a.m. - 5 p.m.) or (916) 557-6850

After I apply, should I stop trying to sell my house?

A key part of the process is your continued effort to sell your house privately, at the best possible price. HAP pays prior fair market value appraisal at time of closure announcement date or current fair market value appraisal to determine benefits.

Private Sale Program:

Pay up to 95% of prior value - different from actual selling price

Difference: = taxable income as paycheck income (similar to short sale)

Reimbursement of normal seller's closing costs but no concessions

* new deed = will need to have been a closed recorded sale before HAP becomes involved

What to do about short sale with Lender to get it closed for HAP?

Need to have document of short sale - short sale w/note due lender vs. compromise agreement - no double benefit HAP willing to work with applicant to assure lender for short difference payoff at time of HAP eligibility

Government Acquisition Program:

Pay up to 75% of prior market value or Mortgage balance existing at time of announcement based on principal balance (whichever is HIGHER) If the amount you owe on your mortgage is less than 75% of the prior market value, you can be paid the

difference. The amount of payment you receive for your HAP benefits may have to be adjusted for taxes and other liabilities, depending on the terms of your mortgage.

List for 120 days or letter from Broker to say can't sell it.

Difference: = taxable income as paycheck income (similar to short sale)

Leasehold Properties?

Leasehold interest doesn't qualify for government acquisition but private sale option is available, foreclosure option is available, too.

1991 eg. = leasehold value

leased fee not totally added to value so may need to research it before buying the leased-fee to qualify.

How to Become a HAP Approved Listing Broker?

U.S. Army Corp. gets property then it is offered on a lottery system for previously non-listed property by area. The Government will always tries to list property back with original listing agent, if they are an approved HAP Broker. Obtain application package from HBR and submit fax application by **May 28, 1997 3:00 p.m. (PST)** to (916) 557-6888.

On the first week of June: After review by requirements of the U.S. Army Corp. of Engineers, selection of Brokers will be made based on areas:

Area 1: North Shore Area (96712, 96731, 96762, 96791)

Area 2: Kailua/Kaneohe Areas (96717, 96730, 96734, 96744, 96795, 96863)

Area 3: Diamond Head (96816, 96821, 96825)

Area 4: Metro Oahu Area (96813, 96814, 96815, 96817, 96819, 96822, 96826)

Area 5: Leeward/Central/Waipahu/Makakilo/Ewa Plain/Pearl City Areas (96701, 96706, 96707, 96782, 96786, 96789, 96792, 96797, 96818, 96854, 96861, 96862)

On the second week of July: John Baker, Sacramento District, will arrive in Honolulu to train selected Brokers.

On the 3rd or 4th week of July: Begin assignment of property for sales with their Standard requirements for Listings.

Contact Information:

[Patti Hokama, RNO Information](#)