



Hawai'i Home Advocates

"Understanding Makes All the Difference."™

AFTER THE LOSS

Losing a Home Is Not the End

Rebuilding After Foreclosure in Hawai'i

"Understanding Makes All the Difference."™

If you lost your home to foreclosure, please hear this clearly: you can rebuild. People do, every day, right here in Hawai'i. This guide covers your immediate housing options, the financial steps you need to take now, and a realistic, honest path back to homeownership when you're ready.

Hawai'i Home Advocates

Barbara Coote, RS-81245 · Licensed Hawai'i REALTOR®

808-781-6951 · hawaiihomeadvocates.com

Free consultation. No sign-up. No obligation.

"It's not the end of the world. I've seen people rebuild."

This guide is about what comes next — practically, financially, and emotionally. Take it one step at a time.

WHERE YOU'LL LIVE NOW — STEP BY STEP

One of the biggest fears after a foreclosure is having nowhere to go. That fear is real — but you have more options than you may realize. Work through these steps in order.

1 Call 2-1-1 immediately — this is your first call

Dial **2-1-1** from any phone in Hawai'i, any time of day. Aloha United Way's 211 line connects you to over 4,000 local resources statewide — emergency shelter, rental assistance, food, counseling, and more. This is the fastest way to find out what is available on your island right now.

211 Hawai'i

Dial 2-1-1 · Statewide, all islands, 24/7 · auw.org/211

2 You can rent right away — foreclosure does not stop you

A foreclosure on your record does not legally prevent you from signing a rental lease. Many landlords in Hawai'i will work with you — especially if you are upfront, have steady income, and can offer a larger security deposit. Be honest in your rental applications; dishonesty discovered later is far more damaging than the foreclosure itself.

Practical tip: Look for individual landlords rather than large property management companies — they have more flexibility. Month-to-month leases give you time to stabilize before committing long-term.

3 Apply for HPHA housing — public housing and Section 8

The Hawai'i Public Housing Authority (HPHA) manages both public housing and the Housing Choice Voucher program (Section 8). **Important:** the Section 8 waitlist can run years — but homelessness is a preference category that moves you higher on the list. Apply as soon as the waitlist opens. Check the HPHA website regularly for opening announcements.

HPHA

(808) 832-4690 (Section 8) · (808) 832-4692 (Public Housing) · hpha.hawaii.gov

EMERGENCY HOUSING & ASSISTANCE — STEPS 4-6

4 Emergency rental assistance — first month or deposit

If you have found a rental but cannot cover the deposit or first month's rent, several programs in Hawai'i can help. Helping Hands Hawai'i provides one-time support for first month's rent, past-due obligations, and utility deposits. Family Promise of Hawai'i provides interim housing and rapid re-housing support for families. Start with 211 — they will connect you to the right program for your island.

Family Promise of Hawai'i

familypromisehawaii.org

Helping Hands Hawai'i

helpinghandshawaii.org

Catholic Charities Hawai'i

(808) 521-4357

5 If you need shelter tonight — right now

If you have no immediate place to go, call 211 right now. The Hawai'i DHS Homeless Programs Office funds emergency and transitional shelters statewide. On O'ahu, Partners in Care coordinates shelter access. On neighbor islands, Bridging the Gap Hawai'i coordinates services. These systems are designed for exactly this moment — do not wait to call.

Emergency — call 2-1-1 right now

Partners in Care (O'ahu): partnersincareoahu.org

Bridging the Gap (Neighbor Islands): btghawaii.org

DHS Homeless Programs: humanservices.hawaii.gov

6 Hawai'i Relief Program — utility and housing payment help

The Hawai'i DHS Relief Program provides emergency assistance for housing and utility payments to households experiencing a financial crisis. If you are newly housed and struggling to stay current, this program may help prevent a second crisis before you find your footing.

Hawai'i Relief Program

humanservices.hawaii.gov — or call 2-1-1 to be connected to the right program for your situation

⚠ Do not pay anyone who promises to "fix" your situation quickly — post-foreclosure scams target homeowners in exactly this moment. Legitimate assistance is always free. If someone asks for an upfront fee, walk away and report it to the DCCA Office of Consumer Protection: (808) 586-2630.

WHEN YOU CAN BUY AGAIN

This surprises people: owning a home again is not off the table — and often sooner than you'd think. Each loan type has its own waiting period after a foreclosure, and the clock is already running.

Loan Type	Typical Wait	Notes
VA Loan	~2 years	Often the shortest path back — especially for veterans
FHA Loan	~3 years	Most common first step back to ownership
USDA Loan	~3 years	For eligible rural or qualifying areas
Conventional	~7 years	Can shorten to ~3 years with documented extenuating circumstances

Waiting periods are general program guidelines. Individual lenders may set higher standards. Verify current requirements with a licensed Hawaii lender.

When Does the Clock Start?

Many people don't know exactly when their waiting period began — and some are closer to re-qualifying than they realize. The clock starts on the date the foreclosure was **completed and recorded** — the date the property transferred at the foreclosure sale, not when you stopped making payments or when the Notice of Default was filed.

Action step: Check the Bureau of Conveyances for the exact recorded date of the foreclosure deed. That is your official start date — and it may be earlier than you think.

Bureau of Conveyances (BOC)

(808) 587-0147 · dlnr.hawaii.gov/boc/

Credit Score & Down Payment Targets

The waiting period is only half the equation. You also need a qualifying credit score when you apply — meeting the time requirement but missing the score means another delay. Build toward both at the same time.

Loan Type	Min. Credit Score	Min. Down Payment
VA	~620+ (lender varies)	0%
FHA	580+ (500–579 with 10% down)	3.5%
USDA	~640+	0%
Conventional	620+ (740+ for best rates)	3–20%

Note: These are program minimums — individual lenders often set higher standards. Aim for the strongest score possible before you apply.

■ **Native Hawaiian homeowners (DHHL / Section 184A):** If your home was on Hawaiian Home Lands, the path back involves both DHHL lease reinstatement and lender re-qualification. Waiting periods are determined case by case. Contact DHHL: (808) 620-9500 · dhhl.hawaii.gov and HUD Office of Native American Programs: 184A@hud.gov

WHAT TO DO DURING THE WAITING PERIOD

Don't just wait — prepare. Lenders look at your full picture, and what you do between the foreclosure and your new application matters enormously. A strong application can open doors that a weak one will close.

- **Rebuild your credit to target.** Aim for 620+ minimum, 700+ for the best options. A secured credit card paid in full every month and a credit union relationship are the most reliable tools. The heaviest impact of a foreclosure on your score typically eases after 2–3 years of steady positive activity.
- **Save your down payment.** Even if your loan requires 0% down, having savings demonstrates stability to lenders. Start saving now, consistently.
- **Keep debt-to-income (DTI) low.** Lenders generally want total monthly obligations below 43% of gross income. Pay down existing debt and avoid taking on new obligations before applying.
- **Document your circumstances.** If the foreclosure resulted from job loss, medical emergency, or death of a co-borrower, document it thoroughly. These are qualifying extenuating circumstances that can shorten the Conventional waiting period significantly.
- **Stay current on everything else.** Every bill paid on time during the waiting period is evidence you've stabilized. One missed payment can reset a lender's confidence in your readiness.

What "Extenuating Circumstances" Means

Conventional loan programs allow the 7-year waiting period to be shortened to as few as 3 years if you can document that the foreclosure resulted from a **single catastrophic event beyond your control** — not from financial mismanagement over time.

Events that typically qualify:

Job loss or significant income reduction — Documented layoff, business closure, or sudden loss of income. Unemployment records, termination letters, and tax returns strengthen the case.

Medical emergency or serious illness — A major health event creating extraordinary expenses or preventing you from working. Medical records and bills are your documentation.

Death of a co-borrower or primary earner — Loss of the person whose income supported the mortgage. Death certificate and income records demonstrate the impact.

Divorce resulting in loss of co-borrower income — Documented through divorce decree showing the change in household income.

⚠️ What does NOT qualify: General financial hardship, overspending, or circumstances you had control over. The event must be isolated, documented, and clearly linked to the foreclosure.

FREE RESOURCES

About free legal help in Hawai'i: Free legal representation for housing matters is very limited. Most free resources provide information or referrals, not an attorney who will represent you.

GreenPath Financial Wellness

Free HUD-certified credit counseling. Personalized rebuild plan. Available 24/7 by phone.
877-337-3399 | greenpath.com

Hawai'i HomeOwnership Center (HHOC)

HUD-approved nonprofit — free post-foreclosure counseling and housing options review.
808-523-9500 | hihomeownership.org

Volunteer Legal Services Hawai'i

Free civil legal help for qualifying low-income residents — housing, landlord-tenant, bankruptcy, and more. Apply online or call for intake.
808-528-7046 (O'ahu) | 1-800-839-5200 (Neighbor Islands) | vlsh.org

Hawai'i State Bar — Lawyer Referral Service

Get matched with a licensed Hawai'i attorney. Many offer a free or reduced-fee first consultation. Available Mon–Fri 8:30 a.m.–4:30 p.m.
808-537-9140 | hawaiilawyerreferral.com

Legal Aid Society of Hawai'i — Elder Law Services Only (age 60+)

Confirmed services: Advance Health Care Directive, Power of Attorney, and Simple Wills for residents 60+. Does not cover post-foreclosure or credit matters.
808-536-4302 | legalaidthawaii.org

DCCA — Office of Consumer Protection


Report post-foreclosure scams and predatory buyback schemes.
808-587-2712 | cca.hawaii.gov/ocp

EMOTIONAL RECOVERY MATTERS TOO

Losing a home is a real loss, and it's okay to grieve it. The stress, shame, and worry are normal — and they pass. If you're carrying a heavy load, reach out. Support is available across all islands, and you do not have to carry this alone.

211 Hawai'i / Aloha United Way

Free, confidential help finding housing, financial, and emotional support — statewide, all islands, 24/7. Dial 2-1-1 from any phone in Hawai'i · auw.org/211

 **Leo's Story:** Leo rebuilt from homeless to homeowner — proof that it's never too late to start over. His journey shows that rebuilding is possible even from rock bottom. Read his story at hawaiihomeadvocates.com/stories.html

A PERSONAL NOTE FROM BARBARA

"You are going through a difficult season and it is easy to think that it will never end. But winter always gives way to spring. Regroup — take baby steps: rent first, steady your financial footing, repair your credit, and walk back into homeownership when you are ready, wiser and stronger than before."

"If you're reading this in the middle of one, I want to encourage you to keep going. This season will change."

— Barbara Coote, RS-81245 · Coldwell Banker Realty

FREE RESOURCES FOR RECOVERY & REBUILDING

Hawai'i HomeOwnership Center (HHOC)

HUD-approved — free homebuyer education and counseling as you rebuild toward homeownership. 808-523-9500 · hihomeownership.org

Aloha United Way 211

Connect to thousands of local programs for housing, financial help, food, utilities, and emergency assistance.

Dial 2-1-1 · auw211.org

Grants & Financial Assistance Programs

View 25+ military, state, and nonprofit programs to help with emergency housing, rent, utilities, and rebuilding.

hawaiihomeadvocates.com/grants-and-assistance.html

Barbara Coote is a licensed Hawai'i REALTOR® affiliated with Coldwell Banker Realty and a real estate investor. Hawai'i Home Advocates LLC provides free homeowner education. This is not legal or financial advice — for legal or tax matters, consult a licensed Hawai'i attorney or CPA. Loan waiting periods are general guidelines and vary by lender. 808-781-6951 · barbara@hawaiihomeadvocates.com



Barbara Coote

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Military Relocation Professional (MRP)

"When God closes a door, He opens a window."

I want to be that window for you.

"Informed Decisions are the Best Decisions."™

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Free. No sign-up. No obligation. Ever.