

Here is some important advice/information from the Seller's Broker, to facilitate the sale of this co-operative apartment in Atkinson Towers, Inc.

The prospective Buyer should read the "Atkinson Towers, Inc. Disclosure Statement", two pages, then initial/sign and date.

Prior to preparing the DROA, the prospective Buyer should meet with a Loan Officer at either First Hawaiian Bank or the Bank of Hawaii, or a Mortgage Broker (who has worked with FHB or BoH on Atkinson Towers, Inc.), to prepare a "Letter of Qualification".

It's extremely important to tell the Loan Officer that the mortgage will be on Atkinson Towers, Inc. (a residential co-operative) and the Borrower understands that the bank requires 20% to 25% downpayment AND the Borrower has to submit documents to verify that the Borrower can make the mortgage payments.

The Buyers have to demonstrate that they can provide documents (W-2, P&L financial statements) which will show that the combined income (wages, commissions, business income, pensions, etc.) is 3-times the combined mortgage (P&I), maintenance fees (MT), and real property taxes (RPT).

For example: P&I, MF, RPT is \$2,000/month times 3 = \$6,000/month in gross income.

The bank will require tax returns, bank statements, employment status, a credit report, and other documents to write a "stated income" mortgage.

The bank will write a mortgage based on 80% or 75% on the appraisal, which might be lower than the Selling Price. In that event, the Buyer will have to make up the difference.

For example: Selling Price: \$285,000. Appraisal: \$280,000. First Mortgage (80%): \$224,000. Difference: \$285,000 less \$224,000 equals \$61,000.00 (Downpayment).

Plus, the points, closing costs, and other charges, could run up to \$4,000.00, or a total out of pocket of: \$65,000.00. Which happens to be 22.8% of the Selling Price?

Here is the text for paragraph C-2: on the DROA.

One (1) share of stock in Atkinson Towers Inc. A Fee Simple residential cooperative project entitling proprietary use of 1-bedroom and 1-bath unit of approximately 858 sf, including an open Lanai. One parking stall #78 is assigned to this unit.

Here is the DROA text for paragraph C-67:

1. This property is being sold "As Is" condition. 2. Buyer understands that this sale and the Buyer have to be approved by the Atkinson Towers, Inc. Board of Directors.

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