

.08 REPOSSESSION PROCEDURAL TIME LINE REQUIREMENTS

The Servicer will take possession of the unit according to the Uniform Commercial Code repossession criteria as set forth in the Alaska statutes. The Servicer may recommend that AHFC seek to reduce the deficiency to judgment if it is in AHFC's best interest. The Servicer will not take steps to reduce the deficiency to judgment unless instructed by AHFC.

A. Manufactured Home Type II (Loans Without Land)

If a unit is occupied and a cure of the default is not viable, the following guidelines must be followed:

1. If not previously issued, a 10-day demand letter should be sent by the **30th day of delinquency**. If the Servicer determines the unit has been abandoned, immediately issue a 10-day demand letter to the borrower and concurrently submit a completed Notification of Recommended Action ([Form SER-71](#)) to AHFC's Servicing Department.
2. Notification of Recommended Action ([Form SER-71](#)) is to be submitted with the Servicer's recommendation for repossession no later than the **60th day of delinquency**.
3. Repossession action should commence immediately upon receipt of AHFC's Response to Recommended Action/Status Request ([Form SER-87](#)) and will be completed by no later than the **33rd day after the date the Servicer receives AHFC's approval** of the Notification of Recommended Action ([Form SER-71](#)).
4. A copy of the Broker's Price Opinion (BPO) is to be submitted as it becomes available, but no later than 20 calendar days after the repossession approval date.
5. Within 10 calendar days of completing the repossession, the Servicer must submit the documents listed on the Property Transfer Checklist ([Form SER-90A](#)) to AHFC's Servicing Department.
6. If the manufactured home is occupied at the time of repossession, follow the standard eviction procedures.

B. Manufactured Home Type I (Loans With Land)

Determinations regarding the preservation of a deficiency on the manufactured home and type of foreclosure (judicial or non-judicial) on the underlying land will be made on a case-by-case basis.

Generally, repossession of the manufactured home is to be completed before the foreclosure of the real property. However, both repossession and foreclosure procedures should be handled as a simultaneous matter with both sales conducted on the same day. The Servicer is to coordinate the two sales in order to avoid AHFC's acquisition of one parcel and not the other. This may involve postponing the repossession sale to determine the number of bidders at the foreclosure sale. The Servicer is responsible and should use caution with bidding instructions to process this action.

Note: The property should not be reported to AHFC as REO until both the repossession and foreclosure are completed.

C. Agreement to Not Pursue Deficiency (Voluntary Conveyance)

AHFC may agree not to pursue the borrower for the deficiency on terms and conditions that are acceptable to AHFC. Such terms and conditions may include the payment of cash or other consideration by the borrower. Acceptance of the title and the consideration to be paid by the borrower must be determined by AHFC on a case-by-case basis. The borrower will be required to sign an agreement, with estoppel provisions, acceptable to AHFC before AHFC will agree not to pursue deficiencies.

A request for acceptance of title must include the following:

1. A letter from the borrower requesting acceptance of the title and stating the hardship that constitutes the request.
2. Two independent opinions of value, which include interior access, obtained at the borrower's expense.
3. A current year Financial Analysis ([Form SER-71B](#)), current year-to-date pay stubs or income verification and copies of federal tax returns for the previous two years. If self-employed, a profit and loss statement is needed.
4. Evidence of all marketing efforts.
5. Application of title transfer and/or request for reconveyance, as applicable to units on land, obtained at the borrowers' expense.
6. Date unit was, or will be, vacated.
7. Written verification from the mobile home park owner or manager that space rent is paid current through the date of the title transfer.
8. Title Insurance Policy, as applicable to units on land.

D. Other Legal Actions

Other legal actions may be required to facilitate repossession of a manufactured home. The Servicer is to consult its attorney as necessary to complete repossession.

Additional costs may be required to facilitate the repossession. The Servicer must request AHFC's approval of the additional costs in writing with its recommendation of action to be taken.