

# Memo

To: All Condo Association Property Managers

From: Jim McCall, Officer, Housing Relations - AHFC

Date: December 28, 2018

Re: AHFC Homeowner Association Loan Program &  
Renovation Refinance Option for Earthquake Damaged Homes

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All –

AHFC would like to remind property managers who may be responding to questions regarding damages associated with the recent November 30<sup>th</sup>, 2018, earthquake of two programs that may assist homeowners and/or associations.

The specifics of the two programs are outlined below:

## **#1) Association Loan Program:**

AHFC provides term financing to active homeowner associations for the purpose of repairs, rehabilitation, or correcting deferred maintenance to common area improvements. The homeowner association or its representative submits a proposal **directly to AHFC**.

Loan terms are available up to 15 years with fixed interest rates. Repayment is typically made through a pro-rata increase in the monthly dues in order to avoid a special assessment. AHFC does require that at least 75% of the association's unit owners approve of the borrowing. Application forms are available on our web site under the Association Loan Program.

For more information, contact Rich McKinstry at 907-330-8438.

Additional information about this program can also be found on our website at this link:  
<https://www.ahfc.us/pros/loans/association-loan-program>

## **#2) Renovation Options for Earthquake Damaged Homes – Renovation Refinance Renovation Options for Earthquake Damaged Homes**

SELLING GUIDE REVISIONS: CONTACT UNDERWRITING  
DATE: December 28, 2018  
TO: All AHFC Approved Lenders  
FROM: Michelle Graves, AHFC - 907-330-8233  
RE: Renovation Options for Earthquake Damaged Homes

In order to assist homeowners who sustained damage in the November 30th earthquake AHFC is expanding the parameters for refinance loans with our renovation option.

We have increased the loan amount on the refinance renovation option to \$200,000 plus the 10% contingency (\$220,000).

Requirements for the expanded parameters are as follows:

1. **The property was damaged due to the November 30th earthquake**
2. Property must be inspected by a licensed engineer
3. Report from licensed engineer provided with recommended repairs
4. Repairs must be performed by a licensed contractor
5. Two bids are required for repairs
6. Lender will retain responsibility for administering the escrow
7. Borrowers will have 12 months to complete the repairs
8. Loan may be sold to AHFC when loan amount is at or below \$220,000

Exceptions may be approved on a case-by-case basis.

**Note:**

The **2nd mortgage** renovation loan option parameters **have not changed** and the existing renovation option for refinance and purchase transactions are still available with loan amounts up to \$75,000 plus the 10% contingency (\$82,500).

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Should you have questions, please feel free to contact either Rich or Michelle at the numbers provided, or you can also contact me at [jmccall@ahfc.us](mailto:jmccall@ahfc.us).

Thank-you,  
Jim