



Your Home, Our Business



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Single-Family Loans – General Requirements

These requirements apply to all Single-Family loans unless otherwise specified in individual program guidelines. Please consult an approved lender for details ([see page 32](#)).

Eligible Borrowers:

- Must be credit-qualified residents of the state of Alaska.
- Must be current on child support payments (no past due).
- Must owner-occupy the purchased property within 60 days of loan closing.
- Are limited to only one AHFC loan for owner-occupied property.
- Must also meet individual program guidelines.

Eligible Properties:

- Single-family residences, condominiums, Common Interest Community units, Type I manufactured homes (permanently attached to a foundation), duplexes, triplexes or fourplexes.
- Not all properties are eligible for financing under all loan programs.

Minimum Down Payment Requirements:

Conventional Loans:

- Single-family – 5%.
- Duplex – 10%.
- Triplex or Fourplex – 20%.

Government Loans:

- Requirements for federally insured or guaranteed loans (VA/FHA/HUD/USDA-RD) are determined by the insurer or guarantor.

Loan Term:

- Fixed Interest Rate for up to 30 years.
- Loan term may be adjusted for property type or remaining economic life.

Assumptions:

- Qualified borrowers may assume AHFC Single-Family loans unless otherwise noted.
- Assumptions are subject to individual program guidelines.

Single-Family Loans – Purpose

AHFC borrowers may use a Single-Family loan to:

- Purchase an existing or newly-constructed residence.
- Obtain long-term financing for a newly constructed home for owner/builder or deed-to-builder transactions.

Purchase a home and obtain funds for renovation:

- Renovations must improve the living conditions of the home.
- Luxury items (sauna, Jacuzzi, etc.) may be included if they are only a portion of the renovation cost.
- Maximum loan amount is based on the type of financing plus renovation cost.
- Maximum time to complete renovations is 180 days from the date of closing.

Refinance a home:

- Refinance an existing AHFC loan using the Streamline Refinance option and lower the interest rate without a new appraisal or credit check.
- Refinance to improve the terms on an existing AHFC loan and/or obtain funds for home improvements.
- Refinance a non-AHFC loan to improve the terms on the existing loan and/or obtain funds for renovation or home improvement.

Obtain a Second Mortgage:

- To assist in purchasing a home when also assuming an existing AHFC loan..
- To finance energy improvements through the Second Mortgage Program for Energy Conservation.
- Renovate a home located in a “very small community” through the Rural Small Building Material Loan Program.
- Renovate an existing dwelling through the Second Mortgage for Renovation.

Loans are offered for single-family homes through fourplex properties for the owner (restrictions may apply). Refinances and second mortgages are also offered.

Single-Family Loan Limits

Listed are the current loan limits for AHFC's Single-Family Loan Programs. Updates are immediately available on our website at <http://www.ahfc.us/buy/resources/loan-limits/>.

Current (Effective January 1, 2017)

Program	Financing	Single-Family	Duplex	Triplex	Fourplex
Taxable	Conventional	\$699,765	\$814,500	\$984,525	\$1,223,475
	VA FHA/HUD/RD	See Note ¹	See Note ¹	See Note ¹	See Note ¹
Taxable First-Time Homebuyer	Conventional	\$699,765	\$814,500	N/A	N/A
	VA FHA/HUD/RD	See Note ¹	See Note ¹		
Tax-Exempt First-Time Homebuyer	Conventional	Acquisition Cost Limits ²	Acquisition Cost Limits ²	N/A	N/A
	VA FHA/HUD/RD				
Veterans Mortgage Program	Conventional	\$699,765	\$814,500	\$984,525	\$1,223,475
	VA FHA/HUD/RD	See Note ¹	See Note ¹	See Note ¹	See Note ¹
Rural Owner-Occupied	Conventional	\$636,150	\$814,500	\$984,525	\$1,223,475
	VA FHA/HUD/RD	See Note ¹	See Note ¹	See Note ¹	See Note ¹
Rural Non-Owner-Occupied	Conventional	N/A	\$814,500	\$984,525	\$1,223,475
	HUD184	N/A	See Note ¹	See Note ¹	See Note ¹
Non-Conforming I	Conventional Only	\$699,765	\$814,500	N/A	N/A
Non-Conforming II	Conventional	\$699,765	\$814,500	\$984,525	\$1,223,475
	VA FHA/HUD/RD	See Note ¹	See Note ¹	See Note ¹	See Note ¹

Notes:

¹ For FHA/HUD184 limits, go to: <https://entp.hud.gov/idapp/html/hicostlook.cfm>, select "Alaska", then click send. HUD184 limits are listed at the bottom of the FHA Mortgage Limits list. Maximum VA guaranty is available at \$636,150. A down-payment is required on loan amounts over \$636,150.

² For Tax-Exempt Acquisition Cost Limits (Non-Targeted), go to: <https://www.ahfc.us/buy/loan-programs/first-time-loans/>

Single-Family Loan Programs – Statewide

- Closing Cost Assistance Program (CCAP).
- Taxable.
- Tax-Exempt First-Time Homebuyer.
- Rural Owner-Occupied.
- Rural Non-Owner-Occupied.
- Taxable First-Time Homebuyer.
- Veterans Mortgage Program.
- Non-Conforming (two programs).
- Second Mortgage (four options).

Closing Cost Assistance Program (CCAP)

How it Works:

Depending on the loan type and credit consideration, the borrower will receive 3 or 4% of the initial principal balance of the mortgage loan. Example: On a \$200,000 mortgage, the assistance equals \$6,000 or \$8,000. This assistance can be used for down payment, closing costs (including reserves), minimum cash investment, and/or principal reduction (without a restriction to the order in which the funds are applied). The closing cost assistance is funded directly by AHFC at the time of closing. The assistance is not added to the loan and no repayment of the assistance is required.

Eligible Loans:

- 30 years fixed rate.
- FHA, VA or USDA-RD.
- Purchase transactions only – no refinance.

Eligible Property Type:

- A one-unit, single-family dwelling, including condominiums and Type I manufactured housing.

Eligible Borrowers:

- Alaska residents.

Additional Considerations:

- No delinquent child support.
- Minimum credit score 640.
- Satisfactory home inspection.
- Contractor licensing.
- Construction inspections.
- Alaska Building Energy Efficiency Standards (BEES).

How to Apply:

- Contact an AHFC-approved CCAP lender ([see page 33](#)).

Taxable Program

How it Works:

Borrowers and properties must meet AHFC's general financing requirements. There are no program-specific criteria.

Loan Options:

- Affordable Housing Enhanced Loan Program.
- Energy Efficiency Interest Rate Reduction.
- Interest Rate Reduction for Low-Income Borrowers.
- State Veterans Preference.
- Refinance.
- Renovations.
- Streamline Refinance.
- Second Mortgage.

How to Apply:

- Contact an AHFC-approved lender ([see page 32](#)).

Tax-Exempt First-Time Homebuyer Program

How it Works:

To be eligible for the Tax-Exempt First-Time Homebuyer Program, borrowers may not have owned a primary residence in the last three years except as noted below. Federal regulations establish maximum income limits and acquisition costs for this program. Income is determined by multiplying the borrower's gross monthly income by 12. Acquisition cost is the total cost of acquiring the property from the seller.

Prior homeownership requirements do not apply to targeted areas or to qualified veterans.

Targeted areas (HUD-designated census tracts) have higher income and acquisition cost limits. To find out if a property is located in a targeted area census tract, go to [Factfinder](#) and perform a street address search.

Qualified veterans must have been retired, discharged, or released from duty under conditions other than dishonorable, and active duty military borrowers must have completed their initial military obligation. Acceptable evidence of eligibility includes a copy of the veteran's Certificate of Eligibility or Title 38 letter and a DD-214 or Statement of Service. No previous use of the TEP or Veterans Mortgage Program is allowed under the veterans' exception.

Additional Considerations:

- Eligible properties are limited to single-family homes, condominiums, Common Interest Community units, duplexes and Type I manufactured homes.
- A duplex must be at least five years old and occupied as a multi-family residence for at least the last five years.
- Borrowers must submit copies of federal income tax returns for the last three years.
- Borrowers who obtain a TEP loan may have to pay federal "recapture" tax following the sale of their home. AHFC recommends consulting a tax professional to determine if the recapture penalty applies. For more information, refer to The Facts about Federal Recapture Tax on [page 11](#).

Forms:

- Borrowers are required to read the Tax-Exempt Booklet located at http://www.ahfc.us/files/1613/5414/3493/Tax_Exempt_Booklet.pdf and to complete the Applicant's Affidavit found in the back of the booklet.
- Sellers must complete and sign a Seller's Affidavit also found in the back of the Tax-Exempt Booklet.

Loan Options:

- Affordable Housing Enhanced Loan Program.
- Energy Efficiency Interest Rate Reduction.
- Interest Rate Reduction for Low-Income Borrowers.
- State Veterans Preference.
- Streamline Refinance.
- Renovations.

How to Apply:

- Contact an AHFC-approved lender ([see page 32](#)).

Tax-Exempt Program Income Limits Non-Targeted Areas 2017/18

Effective 06/21/2017

Area	1-2 Person	3 or More
Aleutians West	\$ 95,700	\$ 110,055
Anchorage	\$ 89,000	\$ 102,350
Bethel Census Area	\$ 84,900	\$ 97,635
Bristol Bay Borough	\$ 95,000	\$ 109,250
Denali Borough	\$ 105,800	\$ 121,670
Dillingham	\$ 84,900	\$ 97,635
Fairbanks	\$ 84,900	\$ 97,635
Juneau City & Borough	\$ 101,500	\$ 116,725
Kenai Peninsula Borough	\$ 84,900	\$ 97,635
Ketchikan Gateway Borough	\$ 87,400	\$ 100,510
Kodiak Island Borough	\$ 84,900	\$ 97,635
Mat-Su Borough	\$ 90,400	\$ 103,960
North Slope Borough	\$ 85,800	\$ 98,670
Petersburg Census Area	\$ 87,500	\$ 100,625
Sitka City & Borough*	\$ 97,411	\$ 112,023
Skagway Municipality	\$ 87,199	\$ 100,279
Valdez-Cordova Census Area	\$ 96,700	\$ 111,205
Yakutat City*	\$ 90,268	\$ 103,809
All Other Areas	\$ 84,900	\$ 97,635

* High-Cost Housing Area - an upward income adjustment for areas where housing costs exceed income by a ratio greater than the national level.

**Tax-Exempt Program Income Limits
Targeted Areas 2017/18**

Effective 06/21/2017

Area	Census Tract	1-2 Person	3 or More
Anchorage	<u>6</u>	\$ 106,800	\$ 124,600
	<u>10</u>		
Bethel Census Area	<u>1</u>	\$ 101,880	\$ 118,860
	<u>3</u>		
Fairbanks	<u>11</u>	\$ 101,880	\$ 118,860
	<u>18</u>		
Hoonah Angoon Census Area	<u>2</u>	\$ 101,880	\$ 118,860
Kenai Peninsula Borough	<u>1</u>	\$ 101,880	\$ 118,860
Skagway Municipality	<u>2</u>	\$ 104,400	\$ 121,800
Kusilvak Census Area (aka Wade Hampton)	<u>1</u>	\$ 101,880	\$ 118,860
Yukon Koyukuk Census Area	<u>1</u>	\$ 101,880	\$ 118,860
	<u>4</u>		

Tax-Exempt Program (TEP)
First-Time Homebuyer Acquisition Cost Limits 2017/18

Effective 05/2017

Non-Targeted Areas	New or Existing Single Family	Existing Duplex
Aleutians West	\$354,706	\$454,096
Anchorage	\$365,293	\$467,631
Bristol Bay	\$289,058	\$370,035
Denali Borough	\$274,235	\$351,069
Fairbanks North Star	\$253,809	\$324,966
Haines	\$261,529	\$334,772
Hoonah-Angoon Census Area	\$259,411	\$332,102
Juneau City & Borough	\$391,764	\$501,514
Ketchikan City & Borough	\$299,646	\$383,570
Kodiak Island Borough	\$351,529	\$450,000
Mat-Su	\$365,293	\$467,631
Nome	\$325,058	\$416,117
North Slope Borough	\$306,000	\$391,718
Petersburg Census Area	\$306,000	\$391,718
Sitka City & Borough	\$416,117	\$532,680
Skagway	\$382,235	\$489,314
Valdez-Cordova	\$270,000	\$345,636
Wrangell City & Borough	\$306,000	\$391,718
Yakutat City & Borough	\$387,529	\$496,081
All Other Areas	\$248,098	\$317,655
Targeted Areas	New or Existing Single Family	Existing Duplex
Anchorage	\$446,470	\$571,550
Fairbanks North Star	\$310,211	\$397,181
All Other Areas	\$310,211	\$397,181

Tax-Exempt First-Time Homebuyer - Gross Monthly Income Worksheet

For AHFC income-restricted programs and add-on options, income is based on annualized gross income. Add the sum of **all** sources of gross income (prior to your employer making any deductions for taxes or other employee deductions). Please also contact an AHFC-approved lender to determine if you qualify.

Income Source	Borrower #1	Borrower #2
Salary/Wage		
Overtime		
Bonuses		
Tips/Commissions		
Part-Time Employment		
Pension/Retirement		
VA Benefits		
Unemployment Compensation		
Social Security		
Public Assistance		
Alimony/Child Support		
Alaska Permanent Fund		
Longevity Bonus		
Dividends/Interest		
Net Rental Income		
Trust/Royalties		
Business/Investment Income		
Other		
Gross Monthly Income		

Gross Monthly Income - Borrower #1 =

Gross Monthly Income - Borrower #2 =

Total Gross Monthly Income =

(Sum of Borrower 1 and 2)

x12

Annualized Gross Income =

Tax-Exempt First-Time Homebuyer - The Facts About Federal Recapture Tax

Borrowers with Tax-Exempt loans may have to pay a “recapture” tax to the federal government following the sale of their home. This fact sheet is provided for informational purposes. AHFC recommends consulting a tax professional to determine if the recapture penalty applies.

What is recapture?

Recapture tax is paying back the federal government for the benefit of a lower interest mortgage loan. When tax-exempt mortgage bonds are used for financing, the borrower receives a benefit.

When does recapture apply?

Recapture applies when and if:

- The borrower sells the home within the first nine full years of ownership.
- The borrower realizes a capital gain on the sale of the home.
- The borrower’s income increases above the federal allowable limits at the time of the sale.

No recapture tax is due unless all three occur.

How is the tax calculated?

Borrowers calculate recapture tax using [IRS Form 8828](#). For assistance, see also [IRS Publication 523, Selling Your Home](#).

What are the income limits and where are they found?

A copy of the income limits for Alaska is provided at the closing of a Tax-Exempt loan. The income chart is attached to AHFC Form PRG-46, Notice of Recapture Requirement. The income limits are listed for each year of ownership in which the recapture tax may be due.

When is recapture tax paid?

Whether or not recapture tax is due, borrowers must file IRS Form 8828 with their federal income tax returns for the year in which their home is sold. For example, if a home is sold in 2015, IRS Form 8828 must be filed with the homeowner’s 2015 income tax returns in 2016. Recapture tax is paid at the time income tax returns are filed.

What happens if the loan is assumed?

If the sale or transfer occurs before year 10 of homeownership, the original borrower pays any recapture tax that may be due and a new nine-year period begins for the assuming borrower.

What happens when a borrower dies within the nine-year period?

No recapture tax is due when a home is disposed of (sold) due to the death of the homeowner.

Find out more with Sample Forms.

Available in PDF:

- [PRG-46, Notice of Recapture Non-Targeted Areas](#).
- [PRG-46T, Notice of Recapture Targeted Areas](#).
- [IRS Form 8828](#).

IRS information/forms online at www.irs.gov.

Taxable First-Time Homebuyer Program

How it Works:

This program is designed for first-time homebuyers wishing to purchase a home that exceeds the cost limits of the Tax-Exempt Program, or whose income exceeds Tax-Exempt Program income limits. (“First-time homebuyers” have not owned a primary residence in the last three years.)

Additional Considerations:

- Eligible properties include single-family residences, condominiums, Common Interest Community units, duplexes and Type I manufactured homes.
- A duplex may be newly constructed or existing.
- Borrowers must submit copies of federal income tax returns for the last three years.

Forms:

- Borrowers must complete and sign the Applicant’s Statement.

Loan Options:

- Affordable Housing Enhanced Loan Program.
- Energy Efficiency Interest Rate Reduction.
- Interest Rate Reduction for Low-Income Borrowers.
- State Veterans Preference.
- Streamline Refinance.
- Renovations

How to Apply:

- Contact an AHFC-approved lender ([see page 32](#)).

Veterans Mortgage Program

How it Works:

Qualified veterans may purchase an existing owner occupied single-family residence or obtain long-term financing for newly constructed owner-occupied single-family residences; and with certain restrictions, purchase a duplex, triplex or fourplex.

Qualified veterans may be active duty or retired personnel, but may not have been discharged from active duty service for more than 25 years prior to the date of the application to AHFC. If retired, discharged or released from active duty, separation must have been under conditions other than dishonorable. Active duty personnel must have completed their initial military obligation and, at that time, must have been eligible for a separation under conditions other than dishonorable. Service in the U.S. Armed Forces, U.S. Armed Forces Reserves, Public Health Service, NOAA, or service as a cadet at the U.S. Military, Air Force, Coast Guard or Naval Academy may meet requirements.

Additional Considerations:

- A copy of the borrower’s DD-214 and Certificate of Veterans Eligibility or Title 38 letter is used to determine eligibility.
- If there are two unmarried borrowers, both borrowers must be qualified veterans.
- Duplex, triplex and fourplex properties must be at least five years old and occupied as a multi-family residence for at least five years.
- Veterans may also qualify for the veteran’s exemption under the Tax-Exempt First-Time Homebuyer Program.

Forms:

- Veteran borrowers must complete and sign an Information Certificate.
- Veteran borrowers must complete and sign a Mortgagor's Affidavit. The Mortgagor's Affidavit may not be signed by a Power of Attorney.

Loan Options:

- Affordable Housing Enhanced Loan Program.
- Energy Efficiency Interest Rate Reduction.
- Interest Rate Reduction for Low-Income Borrowers.
- Streamline Refinance.
- Renovation Options

How to Apply:

- Contact an AHFC-approved lender ([see page 32](#)).

Additional Resources for Veterans

Veterans may contact the following agencies for additional information about programs and benefits.

Anchorage Area:

Dept. of Veterans - VA Healthcare System
1201 N. Muldoon Rd.
Anchorage, Alaska 99504
907-257-4700

<http://www.alaska.va.gov/>

<http://www.benefits.va.gov/benefits/>

Outside Anchorage:

Fairbanks Veterans Center
540 4th Ave., Suite 100
Fairbanks, Alaska 99701
907-456-4238 or 877-927-8387

<http://www.va.gov/directory/guide/facility.asp?ID=198>

Kenai Veterans Center
43299 Kalifornsky Beach Rd., Suite 4
Soldotna, Alaska 99669
907-260-7640 or 877-927-8387

<http://www.va.gov/directory/guide/facility.asp?ID=5468>

Wasilla Veterans Center
851 E. West Point Dr., Suite 102
Wasilla, Alaska 99654
907-376-4318 or 877-927-8387

<http://www.va.gov/directory/guide/facility.asp?ID=473>

Manufactured Home Financing

How it Works:

AHFC finances manufactured homes located in mobile home parks or on land (not on a permanent foundation), known as Type II manufactured homes. The maximum loan amount for Type II manufactured homes located on land (fee simple land) is \$175,000. The maximum loan amount for all other Type II units is \$100,000.

Additional Considerations:

- New singlewide units may be financed for 10 years, existing units a maximum of seven years.
- New doublewide units may be financed for 14 years, existing units a maximum of 10 years.
- Type II manufactured home loans require a 15% down payment unless guaranteed by VA.
- Type II manufactured homes may only be financed under the Taxable Program.
- The value of the manufactured home is determined by an appraiser on the Manufactured Home Value Report.

How to Apply:

- Contact an AHFC-approved lender ([see page 32](#)).

Program Note: Financing for manufactured homes that are permanently attached to land (known as Type I manufactured homes) is available under most Single-Family Loan Programs.

Non-Conforming I Program

How it Works:

Conventional financing is available for certain properties with characteristics or features that limit the borrower's ability to obtain other financing. Non-conforming features include, but are not limited to, an unconventional foundation system, unconventional utilities, lack of central heating, or unconventional ceiling height. The home must be structurally sound and not pose health and/or safety hazards to the occupants. AHFC may require reasonable repairs if they eliminate the non-conforming feature and makes the property eligible for other financing.

*Note - If PUR-101 and PUR-102 documents are unavailable, a PUR-103 may be used under NCP-I

Non-conforming properties do not include those with limited marketability or those suffering from deferred maintenance, noncompliance with zoning, recreational properties or cabins.

Additional Considerations:

- Limited to single-family residences, duplexes and Type I manufactured homes.
- Minimum down payment is 10%.

Loan Options:

- Affordable Housing Enhanced Loan Program.
- Energy Efficiency Interest Rate Reduction.
- Interest Rate Reduction for Low-Income Borrowers.
- Refinance – restrictions apply.
- Streamline Refinance.
- Renovation Options.

How to Apply:

- Contact an AHFC-approved lender ([see page 32](#)).

Non-Conforming II Program

How it Works:

The Non-Conforming II Program provides financing for certain properties built after June 30, 1992, that may not have evidence of compliance with construction inspections and/or properties built after Dec. 31, 1991, that may not have evidence of compliance with thermal standards. The property must be existing and at least two years old at the time of submission for commitment.

Additional Considerations:

- Existing single-family residences, condominium units, duplexes, triplexes, fourplexes and Type I manufactured homes. The property must be at least two years old at the time of submission for commitment.
- Should the property exhibit any features of the Non-Conforming Type I, it is not eligible for financing under Non-Conforming Type II.
- A home inspection report conducted by a licensed home inspector is required. However, a home inspection report will not be required if it is determined that a Certificate of Occupancy or a valid, recorded PUR-102 already exists.
- An energy rating equal to a minimum of 2 Stars is required.

Loan Options:

- Affordable Housing Enhanced Loan Program.
- Energy Efficiency Interest Rate Reduction.
- Interest Rate Reduction for Low-Income Borrowers.
- Refinance.
- Streamline Refinance.
- Renovation Options

How to Apply:

- Contact an AHFC-approved lender ([see page 32](#)).

Second Mortgage Program for Energy Conservation

How it Works:

AHFC provides financing to make cost-effective energy improvements on owner-occupied properties. Borrowers select from the list of energy upgrades included with the energy audit of their home, performed by an AkWarm™ certified energy rater. All improvements must be completed within 365 days of loan closing. (Improvements not listed may not be included in the loan.)

Forms and instructions are available online in PDF at: <http://www.ahfc.us/files/7014/1210/4387/SMPEC.pdf>.

Additional Considerations:

- The maximum loan amount is \$30,000.
- The maximum loan term is 15 years.
- The interest rate is the Taxable Program or Rural Owner-Occupied 15-year interest rate, plus .500.

How to Apply:

Alaska USA Federal Credit Union
Real Estate Telephone Loan Center (RETLC)
P.O. Box 196613
Anchorage, Alaska 99519-6613
907-786-2800 or toll free 888-425-9813

Second Mortgage Program

How it Works:

The Second Mortgage Program option can be used to provide financing in conjunction with the purchase of a primary residence when the AHFC 1st mortgage is being assumed. The Second Mortgage Program option also provides financing for the renovation of existing dwellings.

Additional Considerations:

- The maximum loan amount with a new appraisal is \$318,075.
- The maximum loan amount with an alternate valuation is \$100,000.
- The maximum loan term is 15 years.
- Interest Rate is equal to 15-year Taxable plus .5% or 15-year Rural Owner-Occupied plus .5%
- Individual program guidelines apply.

Loan Options:

- Energy Efficiency Interest Rate Reduction.
- Renovation Options

How to Apply:

- Contact an AHFC-approved lender ([see page 32](#)).

Purchase Renovation

How it Works:

Renovations must improve the living conditions of the home. Luxury items (sauna, Jacuzzi, etc.) may be included if they are an incidental portion of the total renovation costs. Maximum loan amount is based on the type of financing plus renovation cost. Maximum time to complete renovations is 180 days from the date of closing.

Maximum Loan Amount:

- The maximum conventional loan amount is 95% of the purchase price plus 100% of the renovation costs, not to exceed the maximum LTV limits based on the “as-complete” appraised value.
- The maximum VA loan amount is 100% of the purchase price plus 100% of the renovation costs, not to exceed 100% of the “as-complete” appraised value plus the VA funding fee.
- For FHA, HUD-184 and USDA-RD loans follow the applicable insurer/guarantor criteria.
- Maximum Escrow is \$75,000 at the time of purchase by AHFC (plus contingency).

Note: An additional 10% contingency for cost overruns may be added to the renovation cost and included in the loan amount calculation. (See example below.)

Example:

Purchase/Renovation Owner Occupied 1-Unit Conventional Loan

Purchase Price	\$225,000
Appraised Value <u>before</u> Renovations	\$225,000
Appraised Value <u>after</u> Renovations	\$260,000

Final Calculations:

Maximum loan amount <u>cannot exceed:</u>	\$247,000	(95% of “after: appraised value)
Renovation Loan Amount	\$213,750	(based on 95% of purchase price)
100% of Renovation Costs	\$ 27,500	(kitchen, carpet, accessibility improvements, etc.)
10% Contingency	<u>\$ 2,750</u>	
<u>Final Loan Amount:</u>	<u>\$244,000</u>	

In the example, the final loan amount of \$244,000 is less than the maximum LTV calculated using 95% of the “after” appraised value of \$260,000; therefore, the full amount of \$244,000 is eligible for the purchase renovation option. The final LTV for this example is 93.8%.

Additional Considerations:

- Energy improvements can be included.
- New construction additions may be subject to BEES inspections and/or all mandatory inspections.

Single-Family Loan Programs – Rural (One- to Four-Family Properties in “Rural” Areas)

Rural Loan Programs are available in small communities. A “small community” is defined as a community with a population of 6,500 or less that is not connected by road or rail to Anchorage or Fairbanks, or a population of 1,600 or less that is connected by road or rail to Anchorage or Fairbanks and at least 50 statute miles outside of Anchorage or 25 statute miles outside of Fairbanks. In this definition, “connected by road” does not include a connection by the Alaska Marine Highway System or roads outside the boundary of the state of Alaska. Rural programs include the Rural Owner-Occupied, Rural Non-Owner-Occupied and Rural Small Building Material Loans. The Refinance and Streamline Refinance Options, as well as the Second Mortgage Programs previously described in this handout are also available. A brief description of each of the rural programs follows.

Rural Owner-Occupied Loan Program

How it Works:

Owner-occupied properties located in “small communities” are eligible. Commercial use is only allowed on single-family homes and is limited to 25% of the gross floor area. No commercial use is allowed on duplex, triplex or fourplex properties.

The Rural Program interest rate applies to the first \$250,000 of the loan amount. Loans over \$250,000 receive a blended interest rate; the excess over \$250,000 is calculated at the Rural Program rate plus 1%.

Additional Considerations:

- Mortgage insurance is required if the down payment is less than 10%.

Loan Options:

- Affordable Housing Enhanced Loan Program.
- Energy Efficiency Interest Rate Reduction.
- Interest Rate Reduction for Low-Income Borrowers.
- State Veterans Preference.
- Refinance.
- Renovations.
- Streamline Refinance.

How to Apply:

- Contact an AHFC-approved lender ([see page 32](#)).

Rural Non-Owner-Occupied Loan Program

How it Works:

Borrowers may be Alaska residents, businesses, local government entities or regional education attendance areas. Properties must be located in “small communities” and are limited to duplexes, triplexes or fourplexes. Commercial use is not allowed.

The Rural Program interest rate applies to the first \$250,000 of the loan amount. Loans over \$250,000 receive a blended interest rate; the excess over \$250,000 will be calculated at the Rural Program rate plus 1%.

Additional Considerations:

- Housing units do not have to be attached, except when financed through the HUD184 Program.
- All units must have a minimum of 600 square feet.
- Properties with non-conforming features are not eligible.
- The project must be self-supporting with a break-even point of 85% or less and a minimum debt service coverage ratio of 1.15%.

Loan Options:

- Energy Efficiency Interest Rate Reduction.
- Renovation Options

How to Apply:

- Contact an AHFC-approved lender ([see page 32](#)).

Rural Small Building Material Loan

How it Works:

Borrowers with residential property located in “small communities” may apply for funds to renovate or complete their property. The project may include repairs or renovations that improve the livability of the home, energy-efficient upgrades or the addition of living space.

The maximum loan amount is \$100,000. Loan funds may be used to purchase building materials (exclusive of luxury items such as hot tubs), pay for freight or third-party labor costs. Borrowers must complete renovations within six months (180 days) of loan closing.

Forms and instructions are available online in PDF at:
https://www.ahfc.us/files/1314/1661/3755/sbmlp_112114.pdf.

Additional Considerations:

- On non-owner-occupied properties, only duplexes and above are eligible.
- Construction/renovation must meet current building codes. Health/safety hazards must be included in the renovation.

Loan Options:

- Energy Efficiency Interest Rate Reduction.

How to Apply:

Alaska USA Federal Credit Union
Real Estate Telephone Loan Center (RETLIC)
P.O. Box 196613
Anchorage, Alaska 99519-6613
907-786-2800 or toll free 888-425-9813

Loan Options

Use AHFC loan options in combination with Single-Family Loan Programs:

- Interest Rate Reduction for Low-Income Borrowers, IRRLIB.
- Energy Efficiency Interest Rate Reduction, EEIRR.
- Affordable Housing Enhanced Loan Program, AHELP.
- State Veterans Interest Rate Preference, State Vet.
- Renovation Options

Refinance

How it Works:

The Refinance Option allows applicants to obtain new financing to improve the terms on their existing loan and/or finance renovations or home improvements. (Existing AHFC, FHA insured and VA/USDA-RD guaranteed loans are typically eligible under the Streamline Refinance Program.)

Additional Considerations:

- Single-family residences, duplexes, triplexes, fourplexes, condominium units, Common Interest Community units and Type I manufactured homes. Type II manufactured homes only if currently financed by AHFC.
- The maximum loan amount is the current unpaid principal balance (including up to 30 days of unpaid interest on the existing loans) and may be increased by new loan closing costs and first year MIP premium, if applicable, not to exceed current AHFC, FHA, VA, USDA-RD and Second Mortgage program limits as applicable.
- The borrower may not receive cash back except for reimbursement of documented prepaid costs.
- The borrower must occupy the property, unless the loan being refinanced is a Rural Non-Owner-Occupied Program loan.
- The loan being refinanced must be current at closing. Current means paid to within 45 days of the closing date.

How to Apply:

- Contact an AHFC-approved lender ([see page 32](#)).

Streamline Refinance

How it Works:

The Streamline Refinance option allows applicants to obtain new financing without the requirement for a new appraisal or credit search. The property must be currently financed with AHFC as a first or second mortgage and the original loan must have been made to an owner-occupant. The loan may be conventional, FHA, HUD, VA or USDA-RD, provided all applicable insurer/guarantor criteria are met. The original loan must have been made to an owner-occupant and may have been a first lien or second lien.

Additional Considerations:

- Borrowers must have an existing AHFC mortgage loan.
- Single-family residences, duplexes, triplexes, fourplexes, condominium units, Common Interest Community units and Type I or Type II manufactured homes. Current project approval is not required.
- Maximum loan amount is limited to the current unpaid principal balance plus up to 30 days of unpaid interest on the existing loan and up to \$5,000 for closing costs. The VA funding fee or FHA up-front MIP may be added to the loan in addition to the \$5,000 maximum allowable closing costs.
- The borrower may not receive cash back other than for reimbursement of prepaid closing costs.

- Only those loans currently financed as Tax-Exempt, Taxable First-Time Homebuyer or VMP are eligible for a Tax-Exempt, Taxable First-Time Homebuyer or VMP Streamline Refinance.
- The loan type of the streamline refinance must remain the same as the existing loan type (i.e., VA must remain VA, FHA must remain FHA, conventional must remain conventional, etc.).

How to Apply:

- Contact an AHFC-approved lender ([see page 32](#)).

Interest Rate Reduction for Low-Income Borrowers (IRRLIB)

How it Works:

Qualified borrowers may obtain a lower interest rate. The borrower’s family income may not exceed AHFC income limits for area and family size. Qualified borrowers may not have owned a primary residence in the last three years (see exceptions below) and may not own other residential property within 50 miles of the home being purchased.

The interest rate reduction applies to the first \$180,000 of the loan amount. Loans exceeding \$180,000 receive a blended interest rate.

Additional Considerations:

- Borrowers must participate in an approved homebuyer education class. If there are two borrowers, only one is required to complete a class.
- Eligible properties are limited to single-family residences, condominiums, Common Interest Community units and Type I manufactured homes.
- A home inspection for any home that is more than 10 years old at the time of loan application.

Exceptions:

- At least 60 years old and disposing of primary residence before closing.
- Suffered a significant reduction in income due to death or disability of a family wage earner.
- Lost ownership interest in primary residence as a result of divorce or dissolution and is released from liability on loan.

Other Available Loan Options:

- Affordable Housing Enhanced Loan Program.
- Energy Efficiency Interest Rate Reduction.
- State Veterans Preference.
- Renovation Options

How to Apply:

- Contact an AHFC-approved lender ([see page 32](#)).

Interest Rate Reduction for Low-Income Borrowers (IRRLIB) Income Limits 2017/18

Effective 06/21/2017

Area	Interest Rate Reduction	Income Levels	1 Person	2 Person	3 Person	4 or More
Aleutians West Census Area	½%	80%	\$ 52,500	\$ 60,000	\$ 67,500	\$ 75,000
	1%	60%	\$ 40,200	\$ 46,000	\$ 54,120	\$ 62,500
Anchorage MSA	½%	80%	\$ 48,200	\$ 55,100	\$ 61,975	\$ 68,850
	1%	60%	\$ 38,700	\$ 45,690	\$ 54,120	\$ 62,500
Bethel Census Area	½%	80%	\$ 48,200	\$ 55,100	\$ 61,975	\$ 68,850
	1%	60%	\$ 38,700	\$ 45,690	\$ 54,120	\$ 62,500
Bristol Bay Borough	½%	80%	\$ 48,200	\$ 55,100	\$ 61,975	\$ 68,850
	1%	60%	\$ 39,900	\$ 45,690	\$ 54,120	\$ 62,500
Denali Borough	½%	80%	\$ 49,250	\$ 56,250	\$ 63,300	\$ 70,300
	1%	60%	\$ 44,500	\$ 50,800	\$ 57,200	\$ 63,500
Fairbanks MSA	½%	80%	\$ 48,200	\$ 55,100	\$ 61,975	\$ 68,850
	1%	60%	\$ 38,700	\$ 45,690	\$ 54,120	\$ 62,500
Juneau City & Borough	½%	80%	\$ 48,200	\$ 55,100	\$ 61,975	\$ 68,850
	1%	60%	\$ 42,700	\$ 48,800	\$ 54,900	\$ 62,500
Ketchikan Gateway Borough	½%	80%	\$ 48,200	\$ 55,100	\$ 61,975	\$ 68,850
	1%	60%	\$ 38,700	\$ 45,690	\$ 54,120	\$ 62,500
Mat-Su Borough	½%	80%	\$ 48,200	\$ 55,100	\$ 61,975	\$ 68,850
	1%	60%	\$ 38,700	\$ 45,690	\$ 54,120	\$ 62,500
Nome	½%	80%	\$ 48,200	\$ 55,100	\$ 61,975	\$ 68,850
	1%	60%	\$ 38,700	\$ 45,690	\$ 54,120	\$ 62,500
Petersburg Census Area	½%	80%	\$ 48,200	\$ 55,100	\$ 61,975	\$ 68,850
	1%	60%	\$ 38,700	\$ 45,690	\$ 54,120	\$ 62,500
Skagway Municipality	½%	80%	\$ 48,200	\$ 55,100	\$ 61,975	\$ 68,850
	1%	60%	\$ 38,700	\$ 45,690	\$ 54,120	\$ 62,500
Valdez-Cordova	½%	80%	\$ 48,200	\$ 55,100	\$ 61,975	\$ 68,850
	1%	60%	\$ 40,600	\$ 46,400	\$ 54,120	\$ 62,500
Yakutat City & Borough	½%	80%	\$ 48,200	\$ 55,100	\$ 61,975	\$ 68,850
	1%	60%	\$ 38,700	\$ 45,690	\$ 54,120	\$ 62,500
All Other Areas	½%	80%	\$ 48,200	\$ 55,100	\$ 61,975	\$ 68,850
	1%	60%	\$ 38,700	\$ 45,690	\$ 54,120	\$ 62,500

Note: The reduction applies to the first \$180,000 of the loan amount.

Energy Efficiency Interest Rate Reduction (EEIRR)

How it Works:

AHFC offers interest rate reductions when financing new or existing energy-efficient homes or when borrowers make energy improvements to an existing home. Any property that can be energy rated and that is otherwise eligible for AHFC financing may qualify for this option.

Interest rate reductions apply to the first \$200,000 of the loan amount. Loan amounts exceeding \$200,000 receive a blended interest rate. The percentage rate reduction depends on whether or not the property has access to natural gas.

New Construction:

One of the following may apply on newly-constructed properties that exceed the minimum Alaska Building Energy Efficiency Standard of 5 Star. All homes constructed on or after July 1, 2013, must meet BEES 2012.

– Access to Natural Gas:	5 Star Plus Rating	- .250%	6 Star Rating	- .375%
– No Access to Natural Gas:	5 Star Plus Rating	- .375%	6 Star Rating	- .500%

Existing Energy-Efficient Properties

Existing properties (completed for more than one year or previously occupied) may be eligible for one of the following rate reductions.

– Access to Natural Gas:	5 Star Plus Rating	- .125%	6 Star Rating	- .250%
– No Access to Natural Gas:	5 Star Plus Rating	- .250%	6 Star Rating	- .375%

Existing Properties with Proposed Energy Improvements

The Lender must notify AHFC at the time of application that the borrower intends to participate in this program. Within 365 days of loan closing the borrower must: 1) obtain the initial energy rating, 2) complete the improvements, 3) obtain the final energy rating, and 4) submit documentation to the loan servicer. AHFC modifies the interest rate based on the number of points and steps of improvement.

– Access to Natural Gas:	1 Step	- .125%	2 Steps	- .250%
	3 Steps	- .500%	4 Steps	- .625%
– No Access to Natural Gas:	1 Step	- .250%	2 Steps	- .375%
	3 Steps	- .625%	4 Steps	- .750%

Additional Considerations:

- Some federally insured/guaranteed loans allow an increased loan amount to cover the cost of energy improvements.
- Most add-on options may be combined with Energy Efficiency Interest Rate Reduction.

Form:

AHFC Form UND-10 (Notification of Potential Energy Efficiency Interest Rate Reduction) must be completed and signed prior to the lender's submission to AHFC.

Reference:

- Energy Raters.
- Energy Rating Points and Values Energy Ratings.

Energy Ratings - Points and Values:

If you purchase an energy-efficient home or plan to make energy improvements to the home you are purchasing, an AkWarm™ Certified Home Energy Rater has almost certainly performed a Home Energy Rating. This chart can help you understand your home's energy rating (measured by points and number of stars).

Energy Rating	
Points	Rating
0-39.9	1 Star
40-49.9	1 Star +
50-59.9	2 Star
60-67.9	2 Star +
68-72.9	3 Star
73-77.9	3 Star +
78-82.9	4 Star
83-88.9	4 Star +
89-91.9	5 Star
92-94.9	5 Star +
95-100+	6 Star

Keep in mind AHFC's Energy Efficiency Interest Rate Reduction option!

- Newly-constructed properties financed by AHFC must meet a minimum energy standard of 5 Star.
- Newly-constructed or existing homes that meet 5 Star Plus or 6 Star standards may qualify for an interest rate reduction.
- AHFC offers an interest rate reduction on existing homes when energy efficiency is improved by a minimum of five points and one step. Here is how it works:
 1. An AkWarm™ Certified Energy Rater measures the energy efficiency of the home before any improvements are made. The rater then issues an initial energy rating certificate.
 2. When improvements are complete, the energy rater performs a second rating. A comparison of "before" and "after" energy ratings determines the amount of the interest rate reduction.
 3. The borrower has up to 365 days after closing to complete improvements and submit the ratings (before and after) to the loan servicer for interest rate modification.

AHFC is a proud partner of ENERGY STAR®.

How to Apply:

- Contact an AHFC-approved lender ([see page 32](#)).

Affordable Housing Enhanced Loan Program (AHELP)**How it Works:**

With the Affordable Housing Enhanced Loan Program Option, qualified borrowers receive down payment assistance or secondary financing. The assistance may be a grant, deferred payment(s), forgivable loan, or a combination and may come from a governmental agency, non-profit or regional housing authority. Borrowers must meet the provider's requirements.

Additional Considerations:

- Borrowers may not own other residential real property in the same general area.
- Eligible properties are limited to single-family homes, condominiums, Common Interest Community units and Type I manufactured homes.
- A home inspection for any home that is more than 10 years old at the time of loan application
- Borrowers must participate in an approved homebuyer education class. If there are two borrowers, only one is required to complete a class.

Other Loan Options:

- Energy Efficiency Interest Rate Reduction.
- Interest Rate Reduction for Low-Income Borrowers.

State Veterans Interest Rate Preference (State Vet)

How it Works:

Qualified veterans may combine the State Veterans Interest Rate Preference Option with most Single-Family Loan Programs (some exceptions apply). A one percent interest rate reduction applies to the first \$50,000 of the loan amount. Loans exceeding \$50,000 receive a blended interest rate.

A qualified State Vet is an honorably discharged member of the Armed Forces of the United States who served at least 90 days active duty after April 6, 1917. Active duty service in the Armed Forces, Armed Forces Reserve, Alaska Army, Alaska Air National Guard or Public Health Service may meet the requirements. A qualified State Vet may be an honorably discharged member of the Alaska Army or Alaska Air National Guard or a reservist who has served at least five years.

A combination of service in the Guard and Reserves may also qualify. The widow or widower of a qualified veteran may also be eligible.

Additional Considerations:

- Members of the military currently serving on active duty are not eligible.
- Veterans must supply the lender a copy of their DD-214 and VA Certificate of Eligibility or other evidence that their discharge from active duty service was made under honorable conditions.
- If there is more than one borrower and the applicants are unmarried, both must be qualified veterans.
- The borrower's family income may not exceed State Vet income limits. For assistance in calculating your income, see Gross Monthly Income Worksheet on page 10.

Other Loan Options:

- Affordable Housing Enhanced Loan Program.
- Energy Efficiency Interest Rate Reduction.
- Interest Rate Reduction for Low-Income Borrowers.

How to Apply:

- Contact an AHFC-approved lender ([see page 32](#)).

For a listing of agencies that may provide additional information about programs and benefits, please see [page 13](#).

State Veterans Preference Income Limits 2017/18

Effective 06/21/2017

Area	1 Person	2 Person	3 Person	4 or More
Aleutians West Census Area	\$ 52,500	\$ 60,000	\$ 67,500	\$ 75,000
Anchorage MSA	\$ 47,600	\$ 54,400	\$ 61,200	\$ 68,000
Bethel Census Area	\$ 47,350	\$ 54,100	\$ 60,850	\$ 67,600
Bristol Bay Borough	\$ 47,600	\$ 54,400	\$ 61,200	\$ 68,000
Denali Borough	\$ 49,250	\$ 56,250	\$ 63,300	\$ 70,300
Fairbanks	\$ 47,500	\$ 54,300	\$ 61,100	\$ 67,850
Juneau City & Borough	\$ 47,850	\$ 54,650	\$ 61,500	\$ 68,300
Kenai Peninsula Borough	\$ 44,700	\$ 51,100	\$ 57,500	\$ 63,850
Ketchikan Gateway Borough	\$ 47,600	\$ 54,400	\$ 61,200	\$ 68,000
Kodiak Island Borough	\$ 46,100	\$ 52,700	\$ 59,300	\$ 65,850
Mat-Su Borough	\$ 47,600	\$ 54,400	\$ 61,200	\$ 68,000
Nome Census Area	\$ 48,050	\$ 54,900	\$ 61,750	\$ 68,600
North Slope Borough	\$ 47,600	\$ 54,400	\$ 61,200	\$ 68,000
Petersburg Census Area	\$ 47,600	\$ 54,400	\$ 61,200	\$ 68,000
Sitka City & Borough	\$ 46,100	\$ 52,700	\$ 59,300	\$ 65,850
Skagway Municipality	\$ 47,600	\$ 54,400	\$ 61,200	\$ 68,000
Valdez-Cordova Census Area	\$ 47,600	\$ 54,400	\$ 61,200	\$ 68,000
Yakutat City & Borough	\$ 44,200	\$ 50,500	\$ 56,800	\$ 63,100
All Other Areas	\$ 43,900	\$ 50,200	\$ 56,450	\$ 62,700

Multi-Family Loan Programs

Loans for multi-family properties of five or more units and special-needs housing.

- Assistance Provider Interest Rate Reduction Program.
- Senior Housing Loan Program.
- Multi-Family Special Needs and Congregate Housing Loan Program.
- Multi-Family Loan Purchase Program.
- Multi-Family Federally Insured Loan Program.

Assistance Provider Loan Program

What the Program Does:

Provides term financing for the acquisition of small state licensed assisted living homes.

How it Works:

The program was developed to increase the availability of housing that is occupied by a live-in care provider who provides assistance in activities of daily living for individuals with either a physical or mental disability (“the Resident”). The home can provide services for seniors, mental health individuals, or for foster children with special needs. The home must provide care for two to five residents. The property should be modest in nature, appropriately sized for the number of residents and location, and provide the necessary accessibility, equipment and therapy features.

Additional Considerations:

- Borrowers may be individuals, partnerships, joint ventures, for-profit corporations, limited liability companies, limited liability partnerships, non-profit corporations, or regional housing authorities.
- Properties may be single-family residences, duplexes, triplexes or fourplexes.
- Housing must be licensed by the appropriate state licensing division based on its intended use.
- Acquisition with rehabilitation, new construction take out, or refinance with rehabilitation that improves the quality of the home for the residents may also be considered.
- A sprinkler system may be required for all new homes. Determination is made by the state fire marshal or the local governing entity. A completion escrow funded at 1.5 times the bid amount will be collected at closing, if required.
- A three month payment reserve is required to allow time for the home to obtain a license.
- Renovation Options may be used.

How to Apply:

Melanie Smith, Multi-Family Underwriter II

msmith@ahfc.us

Phone: 907-338-6100 or 800-478-2432 (outside Anchorage but within Alaska)

Fax: 907-330-8475

Alaska Housing Finance Corporation

4300 Boniface Parkway

Anchorage, AK 99504

P.O. Box 101020, Anchorage, AK 99510-1020

Senior Housing Loan Program

What the Program Does:

Provides term financing for the acquisition, development or refinancing of residential housing occupied by individuals meeting the federal definition of elderly.

How it Works:

Individuals, non-profit or for-profit corporations, partnerships, joint ventures, limited liability companies, regional housing authorities and state or municipal agencies may apply for financing to construct or purchase and renovate rental housing projects containing five or more living units and occupied by tenants meeting the federal definition of elderly.

Additional Considerations:

- Taxes, insurance and replacement reserves are collected monthly.
- Maximum loan-to-value of 80%.
- Unit Set-Asides: 80% of the residents must be age 55 or older; or 100% at age 62 or older.
- Housing must meet the needs of seniors.

How to Apply:

Jim McCall, Officer, Senior Housing

jmccall@ahfc.us

Phone: 907-338-6100 or 800-478-2432 (outside Anchorage but within Alaska)

Fax: 907-330-8475

Alaska Housing Finance Corporation

4300 Boniface Parkway

Anchorage, AK 99504

P.O. Box 101020, Anchorage, AK 99510-1020

Multi-Family Special Needs and Congregate Program

What the Program Does:

Provides term financing for the acquisition, development or refinancing of special needs rental housing.

How it Works:

Individuals, non-profit or for-profit corporations, partnerships, joint ventures, limited liability companies, limited liability partnerships, regional housing authorities and state or municipal agencies may apply for financing to construct or purchase and renovate housing projects characterized as multi-family housing, senior housing, housing utilized by physically and developmentally disabled individuals, emergency shelter, transitional housing or congregate housing. Generally, projects involve the use of tax-exempt financing, tax credits or other sources of funding.

Additional Considerations:

- Taxes, insurance and replacement reserves are collected monthly.
- Minimum Unit Set-Asides: 20% of the units for tenants at 50% of median income or less; or, 40% of the units for tenants at 60% of median income or less.
- A prepayment penalty of five percent (5%) for the first five years declining by one percent (1%) per year.
- Renovation Options may be included.

How to Apply:

Melanie Smith, Multi-Family UnderwriterII

msmith@ahfc.us

Phone: 907-338-6100 or 800-478-2432 (outside Anchorage but within Alaska)

Fax: 907-330-8475

Alaska Housing Finance Corporation

4300 Boniface Parkway

Anchorage, AK 99504

P.O. Box 101020, Anchorage, AK 99510-1020

Multi-Family Loan Purchase Program

What the Program Does:

Lender originated loans to provide term loan financing for market rate, multi-family rental property.

How it Works:

Borrowers may be individuals, partnerships, joint ventures, limited liability companies, limited liability partnerships, regional housing authorities, for-profit or non-profit corporations and may apply for financing through an approved lender. Properties must be multi-family housing of at least five independent living units principally designed for residential use. The loan proceeds may be used to purchase, refinance, rehabilitate in conjunction with the acquisition or refinance of the property, or refinance to extract equity in order to purchase another multi-family property that is financed by AHFC.

Additional Considerations:

Under the Whole Loan Program, AHFC will purchase up to 100% of the financed amount from your lender. If equity extraction is requested, other than for the purchase of another AHFC-financed project, the lender must participate for the amount requested. There is no maximum loan amount for the program. The maximum principal amount of the loan may not exceed the lesser of 80% of the appraised value of the property or one of the following:

- Acquisition: 80% of the acquisition price or appraised value, whichever is less, plus allowable costs up to 80% of the appraised value.
 - Acquisition with Rehabilitation: The total of 80% of the acquisition cost, 100% of the allowable costs to rehabilitate and 100% of other AHFC-approved transactions costs up to 80% of the appraised value.
 - Refinancing: Outstanding debt up to 80% of the appraised value.
 - Refinance with Rehabilitations: 100% of the allowable rehabilitation costs, the amount of the debt being refinanced and other refinancing costs approved by AHFC up to 80% of the appraised value.
 - New Construction: 100% of the allowable costs to construct up to 80% of the appraised value.
 - Refinance with Equity Extraction: Please contact an approved lender for details.
-
- Minimum debt service coverage ratio is 1.25 using a vacancy rate of no less than 5%.
 - Taxes, insurance and replacement reserves are collected monthly.
 - A prepayment penalty of five percent (5%) for the first five years declining by one percent (1%) per year.
 - Maximum loan term is 30 years, or the property's remaining economic life, whichever is less.
 - Lower interest rates available for balloon feature option – see your lender for details.
 - Renovation Options may be included.

How to Apply: Contact an AHFC-approved Multi-Family lender ([see page 33](#)).

Multi-Family Federally Insured Loan Program

How it Works:

Individuals, non-profits and for-profits working with approved lenders may obtain financing to purchase, renovate or refinance multi-family housing of at least five units for loans with 90% or more of the principal balance insured by the federal government. This program is primarily used to finance existing properties with individuals or for-profits as borrowers, subject to the terms and conditions of the federal guaranty.

Additional Considerations:

- Minimum debt service coverage ratio is what is acceptable by guarantor.
- Maximum loan term is 35 years.
- Taxes, insurance and replacement reserves are collected monthly.
- There are no unit set-aside requirements.

How to Apply:

- Contact an AHFC-approved Multi-Family lender ([see page 33](#)).

Other Loan Programs

These consist of loans for homeowners associations, a Loan to Sponsors Program for non-profits seeking to increase homeownership, and Energy Efficiency Improvement Loans for Public Buildings.

Loans to Sponsors

What the Program Does:

Funds a Sponsor's Affordable Housing Loan Program for owner-occupied housing.

How it Works:

Sponsors apply directly to AHFC for funds to use with their affordable housing programs and in turn make loans to low- to moderate-income borrowers. The sponsor's funds may be used to purchase a home or make home improvements, or for down payment or closing cost assistance. The maximum loan to any one sponsor is \$1,500,000 per fiscal year, and funds must be drawn within one year of the loan closing.

Additional Considerations:

- Sponsors must be non-profit, regional housing authorities or government entities with proven capacity to originate and service mortgage loans.
- Borrower properties may include owner-occupied single-family residences, duplexes, triplexes or four-plexes.
- The sponsor may loan funds to borrowers with income at or below 120% of the median income.
- Interest rates range from 2.5% to 3.5% depending on the amount borrowed.
- Flexible loan guidelines meet the various needs of the sponsor's loan programs.

Potential borrowers may contact:

Melanie Smith, Multi-Family Underwriter II

msmith@ahfc.us

Phone: 907-338-6100 or 800-478-2432 (outside Anchorage but within Alaska)

Fax: 907-330-8475

Alaska Housing Finance Corporation

4300 Boniface Parkway

Anchorage, AK 99504

P.O. Box 101020, Anchorage, AK 99510-1020

Association Loan Program

What the Program Does:

Provides term financing to active homeowners' associations for capital improvements to common areas.

How it Works:

The Homeowners' Association or its representative submits an application packet directly to AHFC to obtain financing approval for common area improvements. Some examples of common area repairs are a new roof, siding replacement, window replacement, boiler/furnace upgrades, or driveway improvements. AHFC offers up to a 15-year term with a fixed interest rate. Repayment is typically made through an increase in HOA dues, and the loan does not encumber the individual owner's unit. Seventy-five percent of the unit owners must approve the borrowing by their association.

How to Apply:

Melanie Smith, Multi-Family Underwriter II

msmith@ahfc.us

Phone: 907-338-6100 or 800-478-2432 (outside Anchorage but within Alaska)

Fax: 907-330-8475

Alaska Housing Finance Corporation

4300 Boniface Parkway

Anchorage, AK 99504

P.O. Box 101020, Anchorage, AK 99510-1020

Alaska Energy Efficiency Revolving Loan Program (AEERLP)

The Alaska Energy Efficiency Revolving Loan Program provides financing for permanent energy-efficient improvements to buildings owned by School Districts, regional educational attendance areas, the University of Alaska, the state or municipalities in the state. Savings generated from energy efficiency improvements are used to repay the loan. An energy audit is used to define the energy efficiency savings. Collateral is provided by the revenue stream created by the energy savings.

How to Apply:

Eric A. Havelock, Lending Officer II, Mortgage Operations

ehaveloc@ahfc.us

Phone: 907-338-6100 or 800-478-2432 (outside Anchorage but within Alaska)

Fax: 907-330-8475

Alaska Housing Finance Corporation

4300 Boniface Parkway

Anchorage, AK 99504

P.O. Box 101020, Anchorage, AK 99510-1020

AHFC - Approved Lenders

To learn more or to qualify, contact an AHFC-approved lender. Other lenders may originate AHFC loans in partnership with an approved lender. A complete list of online resources is available on page 34.

Single-Family Lenders (1 to 4 Units)

Academy Mortgage (2 locations)

4141 B Street Ste., 310
Anchorage, Alaska 99503
Phone: 907-929-5626
www.academymortgage.com/branch/anchorage

1400 Benson Boulevard, #350
Anchorage, AK 99503
Phone: 907-227-1177
www.academymortgage.com/branch/alaska

Alaska USA Mortgage Company

500 W. 36th Avenue
Anchorage, AK 99503
Phone: 907-563-3033
www.alaskausamortgage.com

Cornerstone Home Lending, Inc.

3150 C Street, Suite 260
Anchorage, AK 99503
Phone: 907-205-4234
www.houseloan.com

Denali Home Loans

471 W. 36th Avenue, Ste. 110
Anchorage, AK 99503
Phone: 907-257-1601
www.denalifcuhome loans.com

Denali State Bank

119 N Cushman St., Ste. 100
Fairbanks, AK 99701
Phone: 907-458-4202
www.denalystatebank.com

First Bank

2030 Sea Level Dr., Ste. 200
Ketchikan, AK 99901
Phone: 907-228-4242
www.firstbankak.com

First National Bank

101 W. 36th Avenue, Ste. 216
Anchorage, AK 99503
Phone: 907-777-5600
www.fnbalaska.com

Guild Mortgage

11823 Old Glenn Hwy., Ste. 101
Eagle River, AK 99577
Phone: 907-891-8650
www.guildmortgage.com/branches/anchorage

Home Funding Corporation

Fire Lake Plaza
12812 Old Glenn Highway, Suite A-10
Eagle River, Alaska 99577
Phone: 907-312-7717
www.hf-Corp.com

Homestate Mortgage Company

3801 Centerpoint Drive, Ste. 100
Anchorage, AK 99503
Phone: 907-762-5890
www.homestatemtg.com

Kodiak Island Housing Authority

3137 Mill Bay Rd.
Kodiak, AK 99615
Phone: 907-486-8111
www.kodiakislandhousing.com

Matanuska Valley Federal Credit Union

501 N. Main St., Ste. 120
Wasilla, AK 99654
Phone: 907-745-9165
www.mvfcu.coop

Mt. McKinley Bank

500 Fourth Ave.
Fairbanks, AK 99707
Phone: 907-452-1751
www.mtmckinleybank.com

NeighborWorks Alaska

2515 A Street
Anchorage, AK 99503
Phone: 907-677-8490
www.nwanchorage.org/home-ownership

New American Funding - Anchorage

3000 A Street, Ste. 410
Anchorage, AK 99503
Phone: 907-205-5953
www.newamericanfunding.com

Northrim Bank

PO Box 241489
Anchorage, AK 99524
Phone: 907-261-3337
<https://residentialmtg.com/>

Primary Residential Mortgage, Inc.

4240 Old Seward Highway, Suite 12
Anchorage, AK 99503
Phone: 907-331-4000
<http://www.akprimeres.com/Default.aspx>

Prime Lending

3800 Centerpoint Drive, Suite 920
Anchorage, Alaska 99503
Phone: 907-227-0474
<https://lo.primelending.com/anchorage>

Residential Mortgage, LLC

100 Calais Dr., Ste. 100
Anchorage, AK 99503
Phone: 907-222-8800
www.residentialmtg.com

Spirit of Alaska Federal Credit Union

1417 Gillam Way
Fairbanks, AK 99701
Phone: 907-459-5970
www.spiritofak.com

Tlingit-Haida Regional Housing Authority
P.O. Box 32237
Juneau, AK 99803-2237
Phone: 907-780-6868
www.thrha.org

Tongass Federal Credit Union
2000 Tongass Ave.
Ketchikan, AK 99901
Phone: 907-225-9063
www.tongassfcu.com/

True North Federal Credit Union
P.O. Box 34157
2777 Postal Way
Juneau, AK 99803
Phone: 907-523-4778
www.truenorthfcu.org/servlet/content/mortgage.html

Wells Fargo Home Mortgage
1500 W. Benson Blvd., Fourth Floor
Anchorage, AK 99503
Phone: (907) 257-3600
www.wellsfargo.com/mortgage

Closing Cost Assistance Program (CCAP)

First National Bank
Alaska 101 W 36th Avenue, 3rd Floor
Anchorage, AK 99503
Phone: 907-777-5625
www.fnbalaska.com

Mt. McKinley Bank
500 Fourth Ave.
Fairbanks, AK 99707
Phone: 907-452-1751
www.mtmckinleybank.com

Multi-Family Loan Purchase Program Lenders (5 or More Units)

Alaska USA Federal Credit Union
P.O. Box 196613
Anchorage, AK 99519
Phone: 907-786-2777
www.alaskausamortgage.com

Northrim Bank
P.O. Box 241489
Anchorage, AK 99524-1489
Phone: 907-261-3337
www.northrim.com

First Bank
2030 Sea Level Drive, Ste. 200
Ketchikan, AK 99901
Phone: 907-228-4242
www.firstbankak.com

Residential Mortgage, LLC
100 Calais Drive, Suite 100
Anchorage, AK 99503
Phone: 907-222-8800
www.residentialmtg.com

First National Bank Alaska
101 W 36th Avenue, 3rd Floor
Anchorage, AK 99503
Phone: 907-777-5625
www.fnbalaska.com

Spirit of Alaska Federal Credit Union
1417 Gillam Way
Fairbanks, AK 99701
Phone: 907-459-5970
www.spiritofak.com

Kodiak Island Housing Authority
3137 Mill Bay Road
Kodiak, AK 99615
Phone: 907-486-8111
www.kodiakislandhousing.com

Wells Fargo Bank
Commercial Real Estate Group
301 W. Northern Lights Blvd., Ste. 201
Anchorage, AK 99503
Phone: 907-265-2878
Patricia.L.Bozzo@Wellsfargo.com

Mt. McKinley Bank
P.O. Box 73880
Fairbanks, AK 99707
Phone: 907-452-1751
<http://www.mtmckinleybank.com>

Online Resources

Alaska Housing Finance Corporation
www.ahfc.us

Alaska USA Mortgage
www.alaskausamortgage.com

Denali Home Loans
www.damortgage.com

Denali State Bank
www.denalystatebank.com

EnergyStar
www.energystar.gov

Factfinder
factfinder2.census.gov

FHA/HUD Mortgage Limits List
<https://entp.hud.gov/idapp/html/hicostlook.cfm>

FHA/HUD
<http://www.hud.gov>

First Bank
www.firstbankak.com

First National Bank of Alaska
<https://www.fnbalaska.com/home-loan-center>

Homestate Mortgage
www.homestatemtg.com

Kodiak Island Housing Authority
www.kodiakislandhousing.com

Mt. McKinley Mutual Savings Bank
www.mtmckinleybank.com

Northrim
www.northrim.com

Residential Mortgage
www.residentialmtg.com

State of Alaska, Small Business Development links
<https://www.commerce.alaska.gov/web/ded/DEV/SmallBusinessAssistanceCenter.aspx>
<https://www.commerce.alaska.gov/web/ded/FIN.aspx>

State of Alaska, Senior and Disabilities Services
<http://dhss.alaska.gov/dsds/Pages/default.aspx/>

Spirit of Alaska Federal Credit Union
www.spiritofak.com

Tlingit-Haida Regional Housing Authority
www.thrha.org

Tongass Federal Credit Union
<http://www.tongassfcu.com/>

U.S. Department of Veterans Affairs
www.va.gov

VA Facility Locator
www2.va.gov/directory/guide/home.asp?isFlash=1

Wells Fargo Home Mortgage
www.wellsfargo.com/mortgage

