

SECTION 12004 –ASSISTANCE PROVIDER INTEREST RATE REDUCTION (APIRR)

.01 INTRODUCTION

These requirements are in addition to the requirements for servicing a 1-4 family dwelling.

These loans are originated by AHFC; however, AHFC will place the Servicing rights with an approved Servicer.

.02 ANNUAL COMPLIANCE

Servicer is to provide the annual documentation upon receipt but no later than five days following the anniversary date. The Servicer should determine the number of clients served at this facility.

.03 ASSISTED LIVING LICENSE

The Servicer is to monitor the expiration date of the Assisted Living Home License issued by the State of Alaska for the property. The Servicer is to provide AHFC with a copy of the current license and to notify AHFC of any problems in obtaining a copy of the license.

.04 ANNUAL DOCUMENTATION

Sixty (60) days prior to the anniversary date of the loan, the Servicer is to request the following documents from the borrower:

- Certification of Status
- Letter of Good Standing from the State Licensing Division will be required every year a new/renewal license is not issued
- Assisted Living Home License

.05 EXTENSION

If at the anniversary change date the borrower does not qualify for an interest rate reduction, the borrower can request one 60-day extension in writing to allow additional time to meet the minimum program requirements. The 60-day waiver can be requested once per year. The borrower must submit the request to the Servicer in writing on or before the anniversary date of the loan.

.06 DETERMINATION OF CONTINUED ELIGIBILITY

Upon receipt of the documentation specified above, AHFC will determine the eligibility of the borrower to receive a “reduced rate” for the next year. If a modification to the interest rate is necessary, AHFC will issue written notification to the Servicer on the terms of the revised rate reduction.

.07 ASSUMPTION

Qualified assumptions are permitted.