

.10 ASSUMPTIONS

Assumptions should be underwritten by the Servicer according to AHFC's normal underwriting guidelines. (Refer to [Section 7006](#) of the Selling Guide.)

It is recommended the Servicer submit an Information Request Prior to Assumption or Release of Co-Borrower ([Form ASM-1](#)) before advising parties of the release criteria.

Upon written request, AHFC will provide a report to the Servicers, which may be used to complete the information required on [Form ASM-1](#). It is recommended, however, that [Form ASM-1](#) be sent to AHFC for completion only after a sales agreement has been executed.

The Servicer's individual loan files must contain the original documents submitted for credit approval together with the original loan documents incidental to the assumption of the loan.

Note: If the applicant does not meet the qualifications of the Tax-Exempt, Taxable First-Time Home Buyer or Veterans Mortgage program, the loan may be converted to a Taxable Program loan. The interest rate will be adjusted to the Taxable rate in effect on the date of the assumption, provided the rate is not reduced below the existing note rate. The loan must be modified using the applicable modification form and borrower acknowledgment, and the Lender must ensure that AHFC's lien position has not changed because of the modification. Typically, a statement from the title company is acceptable.

A. Delivery

The submission of finalization documentation as outlined below must be provided to AHFC's Servicing Department within thirty 10 business days after the purchase transaction closes.

Finalization packages should be delivered to:

Alaska Housing Finance Corporation
Servicing Department
P.O. Box 101020
Anchorage, AK 99510-1020

B. Finalization Documents Submitted to AHFC

The following original documents are to be submitted to AHFC at assumption finalization:

1. Assumption with Release Certification ([Form ASM-27](#)) or Assumption without Release Certification ([Form ASM-28](#)). The certification must be completed and signed by an employee of the Servicer.
2. Modification Agreement ([Form SER-57](#)) or Loan Modification and Assumption ([Form ASM-29](#)).

C. Finalization Documents Retained in Servicer's File

The following documentation must be maintained in the Servicer's files. **Originals** are required as noted.

1. Copies of the borrower's and purchaser's Settlement Statements.
2. Information Request Prior to Assumption or Release of Co-Borrower ([Form ASM-1](#)) - **Original**.
3. Assumption Data and Worksheet ([Form ASM-3](#)) if Delegated Underwriting Authority was used - **Original**.
4. Assumption Agreement Without Release of Liability ([Form ASM-20](#)) or Assumption and Release Agreement ([Form ASM-21](#)). For manufactured homes, use [Form ASM-22](#) or [Form ASM-23](#) - **Original**.
5. Evidence HOF excess subsidy, if any, has been paid in full.
6. Request for Prior Approval of Credit/Assumption ([Form ASM-2](#)) - **Original** (if Delegated Underwriting authority was used, this form is not required).
7. Evidence of compliance with all requirements on [Form ASM-2](#).
8. Waiver and Release of Liability of Alaska Housing Finance Corporation (AHFC) ([Form PUR-80](#)) - **Original**.
9. Approval of Loan Insurer or Private Credit Insurer - (Type II manufactured homes), if applicable.
10. Evidence of Federal Guarantor substitution of liability or assumption approval of the new borrower, if applicable.
11. One Year Eviction Notice Agreement ([Form PUR-43](#)) - Signed by the new borrower, if applicable - **Original**.
12. Type II Manufactured Homes - Copy of the original UCC-1, which clearly shows recording and filing information, and copies of the

recorded/filed UCC-3 amendment to add the assuming borrowers' names to the loan.

13. Tax-Exempt (TEP) - Original Acquisition Cost Certification ([Form ASM-11](#)).
14. VMP Loans - VMP Information Certificate and Affidavit ([Forms PRG-60](#) and [PRG-61](#)) – **Originals**.
15. Tax-Exempt (TEP) - Applicant's Affidavit ([Form PRG-43](#)) and Seller's Affidavit ([Form PRG-44](#)) signed and notarized. Notice of Recapture Requirement ([Form PRG-46](#)) on loans with a Note date after December 30, 1990, and IRS Form W-9 – **Original**.
16. All AHFC assumptions (both qualifying and non-qualifying) - Completed Child Support Verification ([Form UND-22](#)) showing no past due child support obligation.
17. Non-qualifying assumptions - Borrower's awareness statement acknowledging they will not be released from liability on the loan and will not be eligible to obtain another AHFC loan – **Original**.
18. All applicable program documentation under which the application is made.