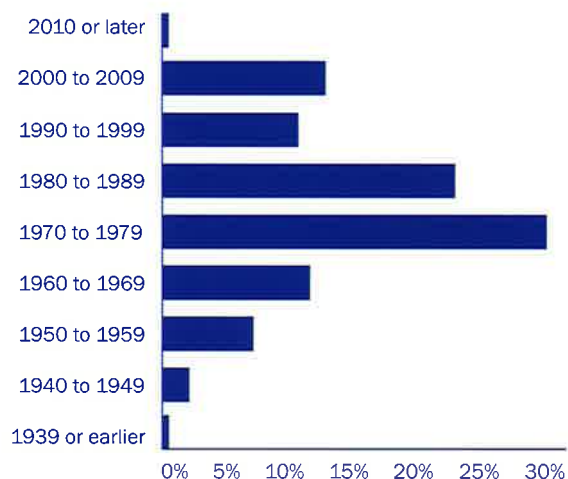


WHY RENOVATE?

- May increase your home's value
- Increase energy efficiency
- Incorporate universal design principles to "age-in-place"
- Improves Alaska's aging housing stock

MOST ANCHORAGE HOMES WERE BUILT IN THE 70S AND 80S



PURCHASE RENOVATION EXAMPLE

Purchase price:	\$225,000
"As-Is" appraisal:	\$225,000
"After" appraisal:	\$260,000

Maximum loan:
(95% of final appraised value) \$247,000

Total of repairs:
(cabinets, accessibility, flooring, etc.) \$27,500

Contingency @ 10%: \$+2,750

Total: \$30,250

Renovation loan amount:
(95% of original purchase price) \$213,750

Renovations & contingency: \$+30,250

Final Total: \$244,000*

*This example would qualify as the final loan amount of \$244,000 which is less than the maximum loan amount allowed of \$247,000.

To learn more about these programs, visit www.ahfc.us, call **907-338-6100** or toll-free at **1-800-478-2432**.



RENOVATION OPTIONS

Update style and energy efficiency



READY TO UPGRADE YOUR HOME?

AHFC provides renovation options covering three possible scenarios:

Purchase Renovation

- Renovations in conjunction with a purchase

Second Mortgage for Renovation

- Improvements to a home you already own
- Up to \$100,000 w/alternative evaluation
- Up to \$318,075 w/appraisal

Refinance Renovation

- Incorporates renovations into a new loan

WHO IS ELIGIBLE?

Alaska residents

ELIGIBLE PROPERTIES

Owner-occupied single-family residences, duplexes, triplexes, fourplexes, condominium units or Type I manufactured homes may be eligible under all three renovation options.

Rural non-owner occupied duplexes, triplexes and fourplexes are eligible under the Purchase Renovation or Refinance Renovation option only.

LOAN TO VALUE (LTV)

LTV is based on the 'as-completed' appraised value. Appraisal must address the planned renovation with estimated market value of the home after the renovations are completed.

COST ESTIMATES

Written estimates must be supported by a bid or contract signed by a licensed contractor. Borrowers doing the work themselves must provide evidence of their qualifications to complete the project.

ESCROWS FOR COMPLETION

50% of the total loan amount, or \$75,000, whichever is less. A 10% contingency is required for cost overruns. Unused escrow funds are applied to the principal. The term of the escrow may not exceed 180 days. A final inspection is required.

APPRAISAL

Both an "as-is" and "as-complete" appraisal is required. Appraisals must clearly discuss the existing property, renovations proposed and include a discussion of materials used.

ADDITIONAL CONSIDERATIONS

Renovations must comply with state laws regarding contractor licensing & minimum construction standards.

Any addition (new construction) to a property where the original construction began on or after 1/1/92 (energy) or 7/1/92 (inspections) is subject to thermal standards and mandatory inspections. Engineer's evaluation may be required.

If an addition is being added to a home built prior to 1992, an engineer's evaluation or home inspection may be required.

Additions must comply with lot setbacks and not create any encroachment(s).

APPROVAL

To begin, contact an AHFC approved lender to help identify the right option for you.

A list of AHFC approved lenders can be found here: ahfc.us/buy/resources/approved-lenders.

