

ALASKA HOUSING FINANCE CORPORATION
BOARD OF DIRECTORS
REGULAR MEETING

April 24, 2024

10:00 a.m.

Anchorage

- I. ROLL CALL
- II. APPROVAL OF AGENDA
- III. MINUTES: November 29, 2023
Next Resolution: #24-01
- IV. PUBLIC COMMENTS
- V. OLD BUSINESS: NONE
- VI. NEW BUSINESS:
 - A. Consideration of a Resolution Authorizing the Issuance and Sale of not to Exceed \$75,000,000 Collateralized Bonds (Veterans Mortgage Program) in One or More Series and Approving Related Matters. (24-01)
 - B. Consideration of a Resolution Approving the FY2025 Moving to Work Annual Plan and Capital Fund Program. (24-02)
- VII. REPORT OF THE CHAIR
- VIII. BOARD COMMITTEE REPORTS: NONE
- IX. REPORT OF THE EXECUTIVE DIRECTOR
- X. ANY OTHER MATTERS TO PROPERLY COME BEFORE THE BOARD Monthly Reports and Meeting Schedules
- XI. EXECUTIVE SESSION: Corporation's operational and personnel matters that may have an impact on the Corporation's financial matters. Board action related to this matter, if any, will take place in the public session following the Executive Session.

**The Chair may announce changes in the Order of Business during the meeting.

MINUTES

ALASKA HOUSING FINANCE CORPORATION BOARD OF DIRECTORS REGULAR MEETING

November 29, 2023

10:00 a.m.

Anchorage/Juneau/Fairbanks

The Board of Directors of Alaska Housing Finance Corporation met November 29, 2023, in the AHFC Board Room, 4300 Boniface Parkway in Anchorage, Alaska, at 10:00 a.m. Board members present in person and via teleconference were:

BRENT LEVALLEY via teleconference	Chair Member of the Board
JESS HALL via teleconference	Vice Chair Member of the Board
ALLEN HIPPLER	Member of the Board
FADIL LIMANI via teleconference	Designee for Commissioner Department of Revenue Member of the Board
JULIE SANDE via teleconference	Commissioner Department of Commerce, Community, & Economic Development Member of the Board
JOSIE STERN via teleconference	Designee for the Commissioner Department of Health Member of the Board

- I. **ROLL CALL.** CHAIR LEVALLEY called the meeting to order. A quorum was declared present, and the meeting was duly and properly convened for the transaction of business.
- II. **APPROVAL OF AGENDA.** CHAIR LEVALLEY asked if there were any revisions of the agenda. Hearing none, he asked for a motion to approve the agenda. FADIL LIMANI moved to approve the agenda. JESS HALL seconded. Hearing no objections, the agenda was approved as presented.
- IV. **MINUTES: October 25, 2023 Board Meeting:** CHAIR LEVALLEY asked if there were any revisions of the minutes. Hearing none, he asked for a motion to approve the minutes. JESS HALL moved to approve the October 25, 2023 minutes as presented. FADIL LIMANI

seconded. Hearing no objections, the October 25, 2023 meeting minutes were approved as presented.

V. PUBLIC COMMENTS: There were no public comments.

VI. OLD BUSINESS: There was no old business discussed.

VII. NEW BUSINESS:

- A. **Consideration of a Resolution authorizing the issuance and sale of not to exceed \$25,000,000 aggregate amount of General Mortgage Revenue Bonds II in one or more series and approving related matters. (23-14)** Bryan Butcher introduced the item and CFO Mike Strand presented. Mr. Strand state that the resolution for the issuance of up to \$250 million, which would be a general mortgage revenue bonds indenture, similar to other housing deals that the board has approved in the past few years. Currently, there's about \$600 million outstanding under that indenture. On the taxable side, liquidity has decreased a lot this year. Taxable mortgage programs have become more competitive and also more utilized, thus, requiring more capital. Looking to go to the taxable market and issue taxable bonds, which are higher rate, especially in the taxable market. They can be structured at positive spreads, even to conventional mortgages. Bond is proposed in three different tax plans, basically (1) tax-exempt fixed rate bonds for first time buyers and veterans first home limited program. Anticipating up to \$75 million for this; (2) also tax exempt, fixed rate for refunding pre-Ullman bonds that we recycle through and refund and carry forward allowing us to maximize single family mortgage recycling at a lower cost of capital and to support taxable programs and rural programs; (3) taxable, fixed rate providing funding that can be used for anything Corporation sees fit, including taxable programs. Continuing to work with financial advisor, Masterson, to determine best way to deliver bonds. Jeffries will be the sole undermanager for this transaction. Bank of America, J.P. Morgan, Raymond James, Barclays, and Wells Fargo will be co-managers on this transaction.

Allen Hippler asked whether all bonds would have a redemption option, where AHFC could redeem bonds at will. Mr. Strand answered normal housing calls will be associated with the revenues on these transactions. Fadil Limani asked about notice to MSRB for failure to file annual report, indicated in Exhibit A. Mr. Strand answered the Corporation has never had a failure to file, that Exhibit A language simply disclosed we will comply with the requirements to file.

CHAIR LEVALLEY asked for further questions. Seeing and hearing none, he called for a motion to approve Resolution 2023-14. ALLEN HIPPLER moved to approve. FADIL LIMANI seconded. A roll call vote was taken, and the motion passed unanimously. (6-0)
RESOLUTION No. 2023-14 AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$25,000,000 AGGREGATE AMOUNT OF GENERAL MORTGAGE REVENUE BONDS II IN ONE OR MORE SERIES AND APPROVING RELATED MATTERS.

B. Resolution of AHFC supporting adoption of 2023 Senate Bill 87 to establish a lumber grading program and lumber grading certificates. (23-15) Bryan Butcher introduced the item and Jimmy Ord presented. Mr. Ord presented an overview of Resolution 2023-15, supporting adoption of Senate Bill 87. AHFC's building code requires sawn lumber to be identified by a grade mark of an accredited lumber grading or inspection agency and have design values certified by an accreditation body that complies with the American Softwood Lumber Standard. An Alaska based lumber program certifying local mill operators to issue a grade stamp for lumber they have milled that meets established standards, is in compliance with AHFC's Building Code. This resolution makes clear AHFC's position regarding the matter. Staff recommend approval of Resolution 2023-15. Seeing and hearing no questions, CHAIR LEVALLEY called for a motion to approve Resolution 2023-15. JESS HALL moved to approve Resolution 2023-15. FADIL LIMANI seconded. A roll call vote was taken, and the motion passed unanimously. (6-0). **RESOLUTION NO. 2023-15: RESOLUTION OF AHFC SUPPORTING ADOPTION OF 2023 SENATE BILL 87 TO ESTABLISH A LUMBER GRADING PROGRAM AND LUMBER GRADING CERTIFICATES.**

VII. REPORT OF THE CHAIR. Chair LeValley congratulated Fadil Limani for having been elected as Chair of NTSC.

VIII. BOARD COMMITTEE REPORTS. No reports.

XI. REPORT OF THE EXECUTIVE DIRECTOR. Bryan Butcher reported 1) AHFC prepared for possibility of federal government shutdown 2) Continuance of regular meetings with the Governor, meeting with him to discuss the Last Frontier Housing Program. 3) Targeting more housing construction in Bethel, Kotzebue, Nome, Sitka and Ketchikan. 4) Looking forward to using combination of state funds received through Rural Professional Program and federal funds available in the Rent Relief Program once statutory limits of assistance have been met. 5) Met with CIHA's new CEO, Gabe Layman. 6) Attended Alaska Home Builders conference. Both Mike Spencer and Jimmy Ord were participants. Got a lot of kudos from state builder partners for sessions and relationship we have with home builders. 7) Met with DOC Commissioner Jennifer Winkleman regarding the possibility of instituting an inmate training program South Dakota currently has in place. Inmates close to release are taught carpentry skills by beginning work while still in system, creating more affordable housing for lower economic level Alaskans. 8) Begun legislative meetings with legislators so they better understand what we're working on. 9) Added high deductible health savings account as option for younger, single employees, though keeping regular plan. 10) We welcome Kayla Richardson back from maternity leave. 11) Next board meeting as not yet been scheduled but will occur in late January 2024.

X. ANY OTHER MATTERS TO PROPERLY COME BEFORE THE BOARD – CHAIR LEVALLEY asked if there were any other matters to properly come before the board.

1. MONTHLY REPORTS: Finance and Mortgage Department reports were presented for discussion and review.

- XI. **EXECUTIVE SESSION** -Corporation's operational and personnel matters that may have an impact on the Corporation's financial matters. Board action related to this matter, if any, will take place in the public session following the Executive Session. There was no executive session.

ADJOURNMENT: With no other matters to come before the Board, CHAIR LEVALLEY requests motion to adjourn. ALLEN HIPPLER moved to adjourn. FADIL LIMANI seconded. CHAIR LEVALLEY adjourned the meeting at 10:42 a.m.

ATTESTED:

Brent LeValley
Board Chair

Bryan Butcher
CEO/Executive Director

**ALASKA HOUSING FINANCE CORPORATION
BOARD CONSIDERATION MEMORANDUM**

Date: April 24, 2024

Staff: Mike Strand

Item: Collateralized Bonds (Veterans Mortgage Program), 2024 Series

Background:

AHFC is among five states that have federal authorization to issue tax-exempt bonds for qualified veteran homebuyers. This allows us to raise cheaper capital and therefore offer financing to veterans at lower interest rates under our Veterans Mortgage Program. These bonds are also backed by the full faith, credit and resources of the State of Alaska and thus require statewide voter approval. A total of \$3.30 billion in veterans bonds has been authorized over six statewide voted bond propositions, of which \$2.77 billion has been issued to date by AHFC. Currently, \$88.8 million of veterans bonds is currently outstanding.

Issue:

Staff is proposing the issuance and sale of up to \$75 million Collateralized Bonds (Veterans Mortgage Program), 2024 Series, to provide new financing for qualified borrowers under our Veterans Mortgage Program. The proposed transaction will be issued as fixed-rate, tax-exempt bonds in substantially the same form and content as presented in the attached bond documents at this meeting. As required by Alaska state law, the bonds will be awarded through a competitive underwriting process to the bank, or group of banks, that meets all requirements at the lowest all-in cost to AHFC. The bidding will be conducted by AHFC finance staff together with Masterson Advisors, our financial advisor.

Summary:

In accordance with our Fiscal Policies and subject to the Board's concurrence with the above findings, this resolution authorizes the issuance of the bonds and approves the associated bond documents, including attached drafts of the Preliminary Official Statement, Supplemental Indenture, Continuing Disclosure Certificate and Official Notice of Sale.

Recommendation:

Finance staff requests Board approval.

**BOARD RESOLUTION OF ALASKA HOUSING FINANCE CORPORATION
RESOLUTION NO. 24-01**

“RESOLUTION OF THE ALASKA HOUSING FINANCE CORPORATION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$75,000,000 AGGREGATE AMOUNT OF COLLATERALIZED BONDS (VETERANS MORTGAGE PROGRAM), IN ONE OR MORE SERIES; AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL INDENTURE TO SECURE THE BONDS; AUTHORIZING THE DISTRIBUTION OF THE OFFICIAL NOTICE OF SALE AND THE SALE OF THE BONDS TO THE SUCCESSFUL BIDDER; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE RELATING TO THE SALE OF THE BONDS; APPROVING THE FORM OF THE PRELIMINARY OFFICIAL STATEMENT WITH RESPECT TO THE BONDS AND THE DISTRIBUTION OF A FINAL OFFICIAL STATEMENT WITH RESPECT TO SUCH BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS.”

WHEREAS, the Corporation has determined to issue its Collateralized Bonds (Veterans Mortgage Program), the aggregate principal amount of which will not exceed \$75,000,000 in one or more series (the “2024 Bonds”) in connection with its veterans mortgage program; and

WHEREAS, the 2024 Bonds will be fixed-rate, tax-exempt bonds; and

WHEREAS, the 2024 Bonds will be issued under an Indenture (the “Master Indenture”), dated as of October 1, 1999, by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”); and

WHEREAS, the 2024 Bonds will be issued pursuant to a Supplemental Indenture substantially in the form presented at this meeting (the “Supplemental Indenture”) to be entered into by and between the Corporation and the Trustee; and

WHEREAS, in accordance with the Securities and Exchange Commission’s Rule 15c2-12(b)(5), the Corporation proposes to enter into a Continuing Disclosure Certificate or to execute a certificate embodying the same terms for the 2024 Bonds (the “Continuing Disclosure Certificate”), a form of which has been presented at this meeting; and

WHEREAS, there has been presented at this meeting the form of a Preliminary Official Statement to be distributed in connection with the 2024 Bonds (the “Preliminary Official Statement”), the final form of which shall be substantially in the same form and content as the form of Preliminary Official Statement presented at this meeting (collectively, the Preliminary Official Statement, the Supplemental Indenture,

and the Continuing Disclosure Certificate (in the form attached as an Appendix to the Preliminary Official Statement) are herein referred to as the “Bond Documents”); and

WHEREAS, the final form of the Bond Documents shall be substantially in the same form and content as the form of Bond Documents presented at this meeting; and

WHEREAS, the final form of the 2024 Bonds shall be substantially in the same form and content as the forms set forth in the Supplemental Indenture; and

WHEREAS, the 2024 Bonds are to be guaranteed as to principal and interest by the State of Alaska pursuant to Chapter 35, SLA 1982, Chapter 81, SLA 1983, Chapter 115, SLA 1984, Chapter 134, SLA 1986, Chapter 34, SLA 2002 and Chapter 46, SLA 2010, which authorizing statutes have authorized \$3,300,000,000 principal amount of guaranteed veterans bonds, of which \$2,765,285,000 have been issued under such authorizations as of February 29, 2024, and

WHEREAS, the 2024 Bonds are to be sold by the Corporation at times and in amounts approved by the State Bond Committee; and

WHEREAS, the Corporation has previously adopted a plan for assuring that proceeds of the 2024 Bonds will be expended for qualified veterans mortgage bond purposes in compliance with the provisions of the Internal Revenue Code of 1986, as amended, and regulations thereunder; and

WHEREAS, all consents, proceedings, and approvals necessary for the authorization, sale, and delivery of the 2024 Bonds have been taken or received, or will have been taken or received as of the time of the sale and delivery of the 2024 Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ALASKA HOUSING FINANCE CORPORATION, AS FOLLOWS:

Section 1. The issuance of, and the performance by the Corporation of the obligations contained in, the 2024 Bonds are hereby authorized, approved, and confirmed, provided that (1) the aggregate principal amount of the 2024 Bonds shall not exceed \$75,000,000, (2) the 2024 Bonds shall bear interest at such rate or rates as shall be agreed to by an Authorized Officer, provided that no such rate shall exceed 6% per annum, and (3) the 2024 Bonds are in substantially the form and content set forth in the Supplemental Indenture, subject to appropriate insertions and revisions as permitted by Section 2 hereof.

Section 2. The form and content of, and the performance by the Corporation of the obligations contained in the Bond Documents presented at this meeting are in all

respects authorized, approved, and confirmed. The Chief Executive Officer/Executive Director, the Deputy Executive Director, the Chief Financial Officer/Finance Director, the Budget Director and the Controller (each, an “Authorized Officer” and, collectively, the “Authorized Officers”) are severally authorized to approve, execute and deliver the final forms of the Bond Documents for and on behalf of the Corporation substantially in the form and content presented at this meeting. The Authorized Officers may each make or cause to be made any changes, modifications, additions, and deletions in the form or content of the Bond Documents as presented at this meeting as any Authorized Officer may consider necessary, desirable, or appropriate, and each such change, modification, addition, and deletion is hereby authorized, approved, and confirmed. The execution of any Bond Document by an Authorized Officer shall be conclusive evidence of approval of any and all changes, modifications, additions, or deletions to that Bond Document from the form or content that was presented at this meeting. After the execution and delivery of the Bond Documents, the Authorized Officers are each authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Documents as executed.

Section 3. The 2024 Bonds shall be offered at public sale by the Corporation at a date and time to be determined by an Authorized Officer subject to the terms and conditions of the Official Notice of Sale thereof in substantially the form presented at this meeting. The Authorized Officers are hereby authorized and directed to cause to be published at least once in *The Bond Buyer* a summary of the notice of the proposed sale which shall provide for distribution of the Official Notice of Sale upon request.

Section 4. The Authorized Officers are severally authorized, empowered and directed upon receipt of the proposals for the purchase of the 2024 Bonds at the time and place advertised for the receipt of sealed proposals in the Official Notice of Sale of the 2024 Bonds, to accept the bids for and sell the 2024 Bonds to the successful bidder or successful bidders of the 2024 Bonds on a direct sale or private placement basis on the terms and conditions set forth in the Official Notice of Sale and at a true interest cost to the Corporation not in excess of 6% per annum.

Section 5. The Authorized Officers are severally authorized, empowered, and directed to approve the final form of the Preliminary Official Statement and the final form of the Official Statement. The final form of the Preliminary Official Statement and the final form of the Official Statement shall each be in substantially the same form as the draft Preliminary Official Statement which has been presented at and is a part of the records of this meeting; however, the final form of the Preliminary Official Statement and the final form of the Official Statement may each contain such changes as the Authorized Officers consider necessary or appropriate to fully disclose to purchasers of the 2024 Bonds all pertinent information relating to the 2024 Bonds. The distribution of the Preliminary Official Statement and the Official Statement, as

completed by the Authorized Officers, to prospective purchasers and the use of the Preliminary Official Statement and the Official Statement by the Underwriters in connection with the offering of the 2024 Bonds is hereby ratified, confirmed, and approved.

Section 6. The Authorized Officers are severally authorized, after execution of the 2024 Bonds, to deliver the 2024 Bonds to the Trustee for authentication under the Master Indenture and the Supplemental Indenture and, upon authentication and upon receipt of the balance of the purchase price of the 2024 Bonds, to deliver to the Trustee a written order in the name of the Corporation directing the Trustee to deliver the 2024 Bonds to the purchasers and to receive the proceeds of sale of the 2024 Bonds and related amounts and give a written receipt therefor on behalf of the Corporation, to apply said proceeds and related amounts in accordance with the terms of the Master Indenture and the Supplemental Indenture, and to do and perform or cause to be done and performed, for and on behalf of the Corporation, all acts and things (including, but not limited to, the transfer of money of the Corporation to the Trustee for deposit in, and application to the purposes of, such funds or accounts as may be required by the Master Indenture or the Supplemental Indenture) that constitute conditions precedent to the authentication and delivery of the 2024 Bonds or that are otherwise required or convenient to be done and performed by or on behalf of the Corporation prior to or simultaneously with the delivery of the 2024 Bonds.

Section 7. The Authorized Officers are severally authorized for and on behalf of the Corporation to do or cause to be done all acts and things and execute any and all documents and agreements as they deem appropriate and necessary including, without limitation, any investment agreements for the proceeds of the 2024 Bonds, all in the name of the Corporation as may be required or desirable to be done by the Corporation (or any Authorized Officer of the Corporation) under and pursuant to the terms of the Master Indenture and the Supplemental Indenture and all acts and things required or desirable to be done by the Corporation in accordance with the terms and conditions of the Bond Documents and to provide for the issuance and sale of the 2024 Bonds.

Section 8. All Authorized Officers and the Corporation's agents and counsel are severally authorized to take all such further actions, to execute and deliver such further instruments and documents in the name and on behalf of the Corporation, or to otherwise pay all such expenses, as, in their judgment, shall be necessary or advisable in order to fully carry out the purposes of this resolution.

Section 9. All actions previously taken or that will be taken by any Authorized Officer in connection with or related to the matters set forth in or reasonably contemplated by this resolution are, and each of them hereby is, adopted, ratified, confirmed and approved in all respects as the acts and deeds of the Corporation.

Section 10. This resolution shall take effect immediately.

PASSED AND APPROVED by the Board of Alaska Housing Finance Corporation this
April 24, 2024.

Brent LeValley - Board Chair

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED [], 2024

NEW ISSUE FULL BOOK-ENTRY

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.



\$[60,000,000]*

ALASKA HOUSING FINANCE CORPORATION

**Collateralized Bonds
(Veterans Mortgage Program)
2024 First Series (Non-AMT)**

<i>Dated</i>	Date of Delivery.
<i>Due</i>	As shown on the inside cover page.
<i>Price</i>	As shown on the inside cover page.
<i>Tax Exemption</i>	In the opinion of Bond Counsel, interest on the 2024 Bonds (A) assuming compliance with certain covenants designed to meet the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under existing laws, regulations, rulings and judicial decisions, (i) is excluded from gross income for federal income tax purposes and (ii) is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals under the Code; and (B) is free from taxation by the State of Alaska under existing law (<i>except</i> that no opinion is expressed as to such exemption from State estate and inheritance taxes and taxes of transfers by or in anticipation of death). Interest on the 2024 Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel express no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the 2024 Bonds. See "Tax Matters."
<i>Redemption</i>	The 2024 Bonds are subject to redemption prior to maturity at 100% of their principal amount under the circumstances described herein. See "REDEMPTION OF THE 2024 BONDS."
<i>Security</i>	Principal of and interest on the 2024 Bonds are unconditionally guaranteed by the State of Alaska. The 2024 Bonds will be primarily secured by Program Obligations (as defined in this Official Statement) initially consisting of conventional, single-family residential mortgage loans that are either guaranteed by the Department of Veterans Affairs or the Rural Housing Service (formerly, the Farmers' Home Administration) or insured by the Federal Housing Administration (the "Mortgage Loans") and securities backed by Mortgage Loans ("Mortgage Certificates"). The Mortgage Certificates will be issued or guaranteed by GNMA, FNMA or FHLMC (as defined herein) and will be held by the Trustee. The 2024 Bonds will also be secured by the Pledged Revenues (as defined in this Official Statement) and by all assets held in any fund or account established under the Indenture. The Mortgage Loans will consist of Mortgage Loans that the Corporation has purchased from qualifying lending institutions located in the State of Alaska that originated such Mortgage Loans (the "Purchased Mortgage Loans") and Mortgage Loans that the Corporation will purchase in the future from qualifying lending institutions located in the State of Alaska that originate such Mortgage Loans. See "THE PROGRAM OBLIGATION FUND — The Special Mortgage Loan Purchase Program" and "MORTGAGES AND MORTGAGE SERVICING — Purchased Mortgage Loans Data" herein. Each Mortgage Loan will be secured by a first mortgage lien on residential property located in the State of Alaska. THE CORPORATION HAS NO TAXING POWER. THE 2024 BONDS ARE GENERAL OBLIGATIONS OF THE CORPORATION FOR WHICH ITS FULL FAITH AND CREDIT ARE PLEDGED, SUBJECT TO AGREEMENTS MADE AND TO BE MADE WITH THE HOLDERS OF OTHER OBLIGATIONS OF THE CORPORATION PLEDGING PARTICULAR REVENUES AND ASSETS NOT PLEDGED TO THE 2024 BONDS AND TO THE EXCLUSION OF MONEY IN THE CORPORATION'S HOUSING DEVELOPMENT FUND.
<i>Interest Payment</i>	
<i>Dates</i>	December 1, 2024, and on each June 1 and December 1 thereafter.
<i>Denominations</i>	\$5,000 or any integral multiple thereof.
<i>Closing Date</i>	Expected on or about [July 30], 2024*.
<i>Bond Counsel</i>	Kutak Rock LLP.
<i>Trustee</i>	U.S. Bank Trust Company, National Association.
<i>Financial Advisor</i>	Masterson Advisors LLC.
<i>Book-Entry System</i>	The Depository Trust Company. See "DESCRIPTION OF THE 2024 BONDS—Book-Entry Only System."

The 2024 Bonds are offered when, as and if issued, subject to the approval of legality by Bond Counsel and to the confirmation of certain tax matters by Bond Counsel.

Sale Date: _____, 2024

*Preliminary; subject to change.

4896-2375-9525.11

Maturity Schedule *

**[\$60,000,000]
Collateralized Bonds
(Veterans Mortgage Program)
2024 First Series (Non-AMT)**

\$_____ Serial Bonds

Maturity Date	Principal Amount	Interest Rate	Yield or Price	CUSIP[†]
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%

\$_____ % Term Bonds due _____

Price: ____% CUSIP[†] _____

\$_____ % Term Bonds due _____

Price: ____% CUSIP[†] _____

\$_____ % Term Bonds due _____

Price: ____% CUSIP[†] _____

\$_____ % Term Bonds due _____

Price: ____% CUSIP[†] _____

* Preliminary; subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2024 CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. This CUSIP number has been assigned by an independent company not affiliated with the Corporation and is included solely for the convenience of the registered owners of the applicable 2024 Bonds. The Corporation and the Underwriter are not responsible for the selection or uses of the CUSIP number, and no representation is made as to its correctness by the Corporation or the Underwriter on the 2024 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2024 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance.

The distribution of this Official Statement has been authorized by the Alaska Housing Finance Corporation. The material contained herein was compiled by officers of the Corporation, with the advice and assistance of Masterson Advisors LLC, financial advisor to the Corporation, and Kutak Rock LLP, Bond Counsel to the Corporation. Data has been obtained from official sources, so far as possible, and otherwise from sources which are believed to be reliable. The accuracy and completeness of the information derived from these sources is not guaranteed. Estimates and forecasts are necessarily approximate and subject to change. Detailed financial reports from which summaries contained herein have been taken are on file at the offices of the Corporation and at the offices of the relevant state agency.

No dealer, broker, salesman or other person has been authorized by the Alaska Housing Finance Corporation or by the State Bond Committee of the State of Alaska to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offer made by this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Alaska Housing Finance Corporation or by the State Bond Committee of the State of Alaska. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Alaska Housing Finance Corporation or the State of Alaska since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2024 Bonds, in any jurisdiction in which such offer, solicitation or sale is not authorized under the securities laws of such jurisdiction.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CORPORATION, THE STATE AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT IS SUBMITTED BY THE ALASKA HOUSING FINANCE CORPORATION IN CONNECTION WITH THE SALE OF THE 2024 BONDS REFERRED TO HEREIN AND MAY NOT BE PRODUCED OR USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE.

TABLE OF CONTENTS

	Page
INTRODUCTION	1
ESTIMATED SOURCES AND USES OF FUNDS	2
SECURITY FOR THE 2024 BONDS	2
General	2
Pledged Revenues	3
OCR Fund	4
Sufficiency of Pledged Revenues.....	4
State Guaranty.....	4
Debt Service Account	4
Additional Bonds	5
DESCRIPTION OF THE 2024 BONDS	5
Book-Entry Only System	5
Payments of Principal and Interest.....	8
Delivery of Bond Certificates	8
Notices to Beneficial Owners.....	9
REDEMPTION OF THE 2024 BONDS	9
Special Redemption	9
Redemption When 2024 Bonds Outstanding Are 15% or Less of Initial Principal Amount.....	10
Sinking Fund Redemption.....	10
Optional Redemption	12
General Provisions	12
THE PROGRAM OBLIGATION FUND.....	13
The Special Mortgage Loan Purchase Program	15
Mortgage Certificates.....	16
MORTGAGES AND MORTGAGE SERVICING	16
The Mortgages	16
Mortgage Servicing on Single Family Loans.....	17
Insurance	17
Private Mortgage Insurance, FHA Insurance, and VA, RD, and HUD-184 Guarantees	17
Standard Homeowner Insurance Policies.....	18
Historical Veterans Mortgage Program Data	19
Pledged Mortgage Loans Data	19
Purchased Mortgage Loans Data.....	19
Committed Mortgage Loans Data	20
OCR Fund Loans.....	20
CERTAIN LEGAL ASPECTS OF THE MORTGAGE LOANS	20
Pledge of Mortgage Loans	20
Alaska Foreclosure Laws	21

ASSUMPTIONS REGARDING THE 2024 BONDS STRUCTURE	21
THE CORPORATION	23
Certain Definitions	23
General	24
Board of Directors, Staff and Organization	24
Activities of the Corporation.....	26
Lending Activities.....	29
Financial Results of Operations	32
Legislative Activity/Transfers to the State.....	33
Litigation.....	35
DESCRIPTION OF THE INDENTURE	35
Certain Definitions	35
Guaranty by the State	38
Revenues	38
Issuance of Additional Bonds	39
Rebate.....	40
Investments	40
Powers of Amendment.....	41
Events of Default.....	42
Remedies	42
Trustee.....	43
Defeasance	43
TAX MATTERS.....	44
Opinion of Bond Counsel.....	44
General	44
Loan Eligibility Requirements Imposed by the Code	44
Other Requirements Imposed by the Code	45
Compliance	46
Original Issue Discount.....	46
Original Issue Premium.....	47
Backup Withholding	47
Certain Additional Federal Tax Consequences.....	47
Changes in Federal and State Tax Law	48
CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12	48
RATINGS	49
FINANCIAL STATEMENTS	49
LITIGATION.....	49
LEGAL MATTERS.....	49
LEGALITY FOR INVESTMENT.....	49
FINANCIAL ADVISOR	49
FORWARD-LOOKING STATEMENTS	50
ADDITIONAL INFORMATION.....	50

APPENDIX A	INFORMATION CONCERNING THE STATE OF ALASKA
APPENDIX B	FINANCIAL STATEMENTS OF THE CORPORATION
APPENDIX C	FORM OF OPINION OF BOND COUNSEL
APPENDIX D	FORM OF CONTINUING DISCLOSURE CERTIFICATE (CORPORATION) AND FORM OF CONTINUING DISCLOSURE AGREEMENT (STATE)
APPENDIX E	OFFICIAL NOTICE OF SALE

**OFFICIAL STATEMENT
OF
ALASKA HOUSING FINANCE CORPORATION**

RELATING TO

**[\$[60,000,000]*
ALASKA HOUSING FINANCE CORPORATION
Collateralized Bonds
(Veterans Mortgage Program)
2024 First Series (Non-AMT)**

INTRODUCTION

This Official Statement is being distributed by the Alaska Housing Finance Corporation (the “Corporation”) to furnish pertinent information to all who may become holders of its Collateralized Bonds (Veterans Mortgage Program), 2024 First Series (the “2024 Bonds”). The 2024 Bonds are authorized to be issued pursuant to Chapter 56 of Title 18 of the Alaska Statutes, as amended (the “Act”), an Indenture (the “Master Indenture”) dated as of October 1, 1999, as amended, and a 2024 First Series Supplemental Indenture (the “2024 Supplemental Indenture”), dated as of June 1, 2024 (together with the Master Indenture, the “Indenture”), to be entered into between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”).

The 2024 Bonds are the fifteenth series of bonds issued under the Indenture (the “Bonds”). As of February 29, 2024, the Corporation had issued prior series Bonds in the aggregate principal amount of \$842,785,000. The Corporation is permitted to issue additional Bonds (including refunding Bonds) pursuant to and secured under the Indenture (“Additional Bonds”), subject to certain conditions. See “SECURITY FOR THE 2024 BONDS—Additional Bonds.” The 2024 Bonds will be secured on a parity with the prior series Bonds and with any Additional Bonds.

The proceeds of the 2024 Bonds will be used to provide funds to make or purchase Mortgage Loans (as defined below) or to reimburse the Corporation for such purchases. See “ESTIMATED SOURCES AND USES OF FUNDS.”

Principal of and interest on the Bonds is unconditionally guaranteed by the State of Alaska (the “State”). The full faith, credit and resources of the State are pledged to the payment of principal of and interest on the 2024 Bonds, and the payment of the principal of and interest on the 2024 Bonds is secured by the general obligation of the State. A total amount of \$3,300,000,000 of State-guaranteed veterans bonds have been authorized to be issued by the Corporation by six statewide voted bond propositions. A total of \$2,765,285,000 in bonds has been issued by the Corporation under such authorizations (excluding the 2024 Bonds), of which approximately \$88,845,000 is outstanding as of February 29, 2024.

On March 26, 2024, the State Bond Committee approved by resolution the timing and amount of the 2024 Bonds sale.

* Preliminary; subject to change.

The Corporation and the State intend to enter into agreements to provide continuing disclosure to permit the purchaser to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission.

All capitalized terms used in this Official Statement that are defined in the Indenture (unless otherwise herein defined) shall have the same meanings as in the Indenture. See “DESCRIPTION OF THE INDENTURE” herein.

The summaries and references herein to the Act, the 2024 Bonds, the Indenture and other documents and materials are brief outlines of certain provisions contained therein and do not purport to summarize or describe all the provisions thereof. For further information, reference is hereby made to the Act, the 2024 Bonds, the Indenture and such other documents and materials for the complete provisions thereof, copies of which will be furnished by the Corporation upon request. See “THE CORPORATION—General” for the Corporation’s address and telephone number.

ESTIMATED SOURCES AND USES OF FUNDS

The expected sources and uses of funds in connection with the 2024 Bonds are set forth in the following table:

SOURCES	
2024 Bonds Par Amount	\$
Transfers from the Corporation ¹	_____
Total Sources	\$
USES	
Program Obligation Fund ²	\$
Underwriter’s Fees	
Debt Service Account ³	_____
Total Uses	\$

1 In addition to the amounts set forth in this table, the Corporation will pay approximately \$_____ of associated costs of issuance from available Corporation funds.

2 The acquisition of the initial portfolio of Program Obligations (as defined below under “SECURITY FOR THE 2024 BONDS—General”) with 2024 Bond proceeds is expected to be completed by [July 30], 2024. Mortgage Loans acquired by the Corporation from the proceeds of the 2024 Bonds are expected to comply with the applicable requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations thereunder. See “TAX MATTERS.”

3 The Corporation may contribute additional amounts to the Debt Service Account if necessary to provide sufficient cash flow for payment of the 2024 Bonds.

SECURITY FOR THE 2024 BONDS

General

The 2024 Bonds are general obligations of the Corporation payable out of any of its revenues, moneys or assets, subject to agreements heretofore or hereafter made with the holders of notes and bonds, other than the Bonds, pledging particular revenues, moneys or assets for the payment thereof and subject to the exclusion of money in the Corporation’s Housing Development Fund.

The 2024 Bonds will be primarily secured by certain program obligations (the “Program Obligations”) initially consisting of conventional, single-family residential mortgage loans (the “Mortgage Loans”) that are either guaranteed by the Department of Veterans Affairs (“VA”) or the USDA Rural

Development (“RD”) (formerly, the Farmers’ Home Administration), or insured by the Federal Housing Administration (“FHA”) or through private mortgage insurance. The Mortgage Loans will consist of first mortgage loans for single-family residences in the State that the Corporation has purchased from qualifying lending institutions that originated such Mortgage Loans (the “Purchased Mortgage Loans”) and first mortgage loans for single-family residences in the State that the Corporation will purchase in the future from qualifying lending institutions that originate such Mortgage Loans. See “THE PROGRAM OBLIGATION FUND — The Special Mortgage Loan Purchase Program” and “MORTGAGES AND MORTGAGE SERVICING — Purchased Mortgage Loans Data” herein. Each Mortgage Loan will be secured by a first mortgage lien on residential property located in the State. Under the Indenture, Program Obligations may also include Mortgage Certificates (as defined below) and, if the Rating Agencies (as defined below) shall have previously informed the Corporation and the Trustee in writing that there would be no adverse effect on the credit ratings previously assigned by them to the Bonds, other mortgage instruments. Mortgage certificates (the “Mortgage Certificates”), if any, will be issued or guaranteed, as the case may be, by the Government National Mortgage Association (“GNMA”), the Federal National Mortgage Association (“FNMA”) or the Federal Home Loan Mortgage Corporation (“FHLMC”). The Program Obligations, together with the payments thereon, will be pledged to the Trustee under the Indenture.

All of the proceeds of the 2024 Bonds are expected to be used to purchase recently-originated Mortgage Loans financed on a temporary basis with Corporation funds or recently committed Mortgage Loans. The Corporation may exchange certain of such Mortgage Loans for Mortgage Certificates. For a more complete description of the Mortgage Certificates, see “THE PROGRAM OBLIGATION FUND—Mortgage Certificates” herein. The Corporation expects to complete its acquisition of Mortgage Loans and, if applicable, Mortgage Certificates with proceeds of the 2024 Bonds by [July 30], 2024.

Mortgage Loans purchased from 2024 Bond proceeds will be limited to Mortgage Loans made to qualifying veterans which are secured by a first lien on residential, single family homes and which bear interest at a fixed rate. Such Mortgage Loans will provide for approximately equal monthly installments of principal and interest for an initial term of at least 15 years, but no more than 30 years, from the date of origination. For a more complete description of the Mortgage Loans, see “MORTGAGES AND MORTGAGE SERVICING—The Mortgages” and “CERTAIN LEGAL ASPECTS OF THE MORTGAGE LOANS.”

No representation is made as to the percentage of the Program Obligation Fund with respect to the 2024 Bonds under the Indenture (the “Program Obligation Fund”) which will be invested initially in Purchased Mortgage Loans, Mortgage Certificates or other permitted investments.

Pledged Revenues

In addition, the 2024 Bonds will be secured by a pledge of the Corporation’s rights under the pledged Program Obligations and the various insurance policies and guaranty agreements provided with respect to the pledged Program Obligations, and by a pledge of the Pledged Revenues under the Indenture and all assets held in any fund or account established under the Indenture (except any Rebate Fund and any account within either a Credit Enhancement Fund or a Liquidity Facility Fund that is used exclusively to reimburse the credit enhancer or liquidity facility provider pursuant to the terms of the Credit Enhancement or Liquidity Facility). Pledged Revenues include (i) payments of principal and interest on the Pledged Program Obligations deposited with the Trustee and all other net proceeds of such Pledged Program Obligations and (ii) investment earnings on Investment Securities held by the Trustee as security for the Bonds and the net gain realized on the sale or other disposition of such Investment Securities. Pledged Revenues do not include earnings or payments on amounts on deposit in the Rebate Fund or the Over Collateralization Requirement Fund for the 2024 Bonds (the “OCR Fund”).

OCR Fund

If amounts in the Interest Account of the Revenue Fund and the Principal Account and General Account of the Redemption Fund are insufficient to pay debt service on the Bonds, amounts in the OCR Fund are available for such payment if there is an insufficient amount to pay such deficiency in the Debt Service Account. The OCR Fund may consist of certain mortgage loans, cash and other assets contributed to it by the Corporation and is required to be maintained at 30% of total outstanding loans. The Corporation will deposit mortgage loans, mortgage certificates and/or cash into the OCR Fund in an amount sufficient to satisfy the OCR Fund Requirement.

Sufficiency of Pledged Revenues

The completed initial portfolio of Program Obligations, as described in the third paragraph under “SECURITY FOR THE 2024 BONDS—General” above, and all other Program Obligations, will be pledged to the payment of the 2024 Bonds and all other Bonds on a parity basis. Revenues received in respect of such Program Obligations and any other Program Obligations subsequently acquired, including amounts attributable to prepayments, are required to be deposited in the Revenue Fund and will be applied (unless used to purchase additional Program Obligations), together with amounts available from investment earnings, to meet interest payments, sinking fund redemption requirements, principal maturities and other redemption provisions of the Bonds. The cash flow from such Mortgage Loans and other Program Obligations and any subsequent Mortgage Loans or other Program Obligations, together with investment income and the Debt Service Account, is expected to be sufficient for all required principal (including sinking fund) and interest payments on the Bonds.

State Guaranty

Principal of and interest on all Bonds are unconditionally guaranteed by the State of Alaska. The full faith, credit and resources of the State are pledged to the payment of principal of and interest on all Bonds, and payment of the principal of and interest on all Bonds are secured by the general obligation of the State of Alaska.

Debt Service Account

The Corporation will establish from its unrestricted general funds a Debt Service Account in approximately the amount of \$[1.2* million] in order to assure the availability of moneys for the payment of debt service on the Bonds. The Corporation may deposit additional amounts in the Debt Service Account to the extent necessary to provide adequate cash flow to pay the Bonds. Under the terms of the Indenture, any deficiency in the minimum required deposit of amounts in the Interest Account, Principal Account and General Account with respect to payment of interest, principal or sinking fund payments on the Bonds three business days prior to any Interest Payment Date must be immediately satisfied with a withdrawal from the Debt Service Account and, if amounts therein shall be insufficient, from any other funds of the Corporation available therefor, including amounts in the OCR Fund. On the first Interest Payment Date next following the acquisition of the initial portfolio of Program Obligations with proceeds of the 2024 Bonds, in the event the Corporation has filed with the Trustee a Bond Coverage Certificate (as defined below) demonstrating Bond Coverage (as defined below) after giving effect to such withdrawal, the balance remaining in the Debt Service Account in excess of the Minimum Debt Service Account Requirement may be withdrawn by the Corporation to the extent that all debt service on all Outstanding Bonds then due shall have been paid as of such Interest Payment Date or as of the most recent applicable Interest Payment Date for such Bonds and to the extent that certain other tests are met. Any amounts remaining in the Debt Service Account five days

* Preliminary; subject to change.

after such Interest Payment Date in excess of the Minimum Debt Service Account Requirement shall be transferred by the Trustee to the Revenue Fund. On future Interest Payment Dates, the Trustee shall transfer any amounts in the Debt Service Account that are in excess of the Minimum Debt Service Account Requirement to the Revenue Fund.

Additional Bonds

Additional Bonds (including refunding Bonds) may be issued pursuant to the Master Indenture upon compliance with the provisions thereof, which include the requirement that no Additional Bonds may be issued (i) without the delivery of a Bond Coverage Certificate (as defined below) to the Trustee and (ii) unless the ratings then assigned by the Rating Agencies to the then Outstanding Bonds without regard to any bond insurance or any other form of credit enhancement will not be reduced as a result of the issuance of such Additional Bonds. The Bonds issued under the Indenture will rank on a parity with each other; therefore, the availability of money for repayment of the 2024 Bonds could be significantly affected by the issuance of Additional Bonds. The Corporation is also permitted to issue bonds which are separately secured and bonds which are also general obligations of the Corporation.

DESCRIPTION OF THE 2024 BONDS

The 2024 Bonds will be dated, will be issued in the denominations, and interest thereon will be payable on the dates, as set forth on the cover page. The 2024 Bonds will mature on the dates and in the amounts, and will bear interest (calculated on the basis of a 360-day year consisting of twelve 30-day months) from their dated dates to their maturity dates at the applicable rates, as set forth on the inside cover page.

All 2024 Bonds will be issued only in fully-registered form and will be initially offered only in book-entry form, registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the 2024 Bonds. See “DESCRIPTION OF THE 2024 BONDS—Book-Entry Only System” herein. The 2024 Bonds are issuable in minimum denominations of \$5,000 or any integral multiple thereof. For so long as Cede & Co. remains the registered owner of the 2024 Bonds, payments of principal of and interest on the 2024 Bonds will be made by the Trustee directly to DTC or Cede & Co., as the nominee of DTC. DTC procedures provide for DTC to remit such payments to banks, brokers and dealers who are, or who act through, participants of DTC (“DTC Participants”) and for such payments to thereafter be paid by DTC Participants to the Beneficial Owners (as defined below). For payment if the 2024 Bonds are no longer held in book-entry-only system, see “Delivery of Bond Certificates” below.

Book-Entry Only System

The 2024 Bonds will be issued as fully-registered bonds in the name of Cede & Co., as nominee of DTC, as registered owner of the 2024 Bonds. Purchasers of such 2024 Bonds will not receive physical delivery of bond certificates. For purposes of this Official Statement, so long as all of the 2024 Bonds are immobilized in the custody of DTC, references to holders or owners of 2024 Bonds mean DTC or its nominee.

The information in this section concerning DTC and the DTC book-entry system has been obtained from DTC, and neither the Corporation nor the Underwriter takes responsibility for the accuracy or completeness thereof.

DTC will act as securities depository for the 2024 Bonds. The 2024 Bonds will be issued as fully registered securities in the name of Cede & Co., DTC’s partnership nominee (“Cede”), or such other name

as may be requested by an authorized representative of DTC. One fully-registered 2024 Bond certificate will be issued for each maturity of each Series thereof set forth on the inside cover page in the aggregate principal amount of each such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, the National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com (information on the DTC website is not a part of this Official Statement).

Purchases of 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2024 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2024 Bonds, except in the event that use of the book-entry system for the 2024 Bonds is discontinued.

To facilitate subsequent transfers, all 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2024 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2024 Bonds, such as

redemptions, tenders, defaults and proposed amendments to the Indenture. For example, Beneficial Owners of 2024 Bonds may wish to ascertain that the nominee holding the 2024 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2024 Bonds of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series and maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede's consenting or voting rights to those Direct Participants to whose accounts the 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal and interest on the 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Trustee on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee or the Corporation, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants. NEITHER THE CORPORATION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS, TO THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE 2024 BONDS, OR TO ANY BENEFICIAL OWNER IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT, THE PAYMENT BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE 2024 BONDS, ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE INDENTURE, THE SELECTION BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2024 BONDS OR ANY OTHER ACTION TAKEN BY DTC AS REGISTERED BONDOWNER.

DTC may discontinue providing its services as securities depository with respect to the 2024 Bonds at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, 2024 Bond certificates are required to be printed and delivered as described in the Indenture.

The Corporation may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2024 Bond certificates will be printed and delivered to DTC.

The information herein concerning DTC and DTC's book-entry system has been obtained from sources that the Corporation believes to be reliable, but the Corporation takes no responsibility for the accuracy thereof.

Payments of Principal and Interest

For so long as Cede & Co. is the registered owner of the 2024 Bond, payments of principal and interest with respect to the 2024 Bonds will be paid by the Trustee directly to DTC or its nominee, Cede & Co. DTC procedures provide for DTC to remit such payments to the DTC Participants and such payments to thereafter be paid by DTC Participants to Beneficial Owners. NO ASSURANCE CAN BE GIVEN BY THE CORPORATION THAT DTC AND DTC PARTICIPANTS WILL MAKE PROMPT TRANSFER OF PAYMENTS TO BENEFICIAL OWNERS. THE CORPORATION IS NOT RESPONSIBLE OR LIABLE FOR PAYMENT BY DTC OR DTC PARTICIPANTS OR FOR SENDING TRANSACTION STATEMENTS OR FOR MAINTAINING, SUPERVISING OR REVIEWING RECORDS MAINTAINED BY DTC OR DTC PARTICIPANTS OR FOR ANY OTHER ACTION TAKEN OR NOT TAKEN BY DTC OR DTC PARTICIPANTS. THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM DTC, AND THE CORPORATION TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. THE BENEFICIAL OWNER MAY BE CHARGED A SUM SUFFICIENT TO COVER ANY TAX, FEE OR OTHER GOVERNMENTAL CHARGE THAT MAY BE IMPOSED FOR EVERY TRANSFER AND EXCHANGE OF THE 2024 BONDS.

Delivery of Bond Certificates

In the event the Corporation, in its sole discretion, determines that the Beneficial Owners should obtain bond certificates, the Corporation may, at its own expense, execute and deliver 2024 Bonds in the form of fully registered certificates, which would be available for distribution to Beneficial Owners or their nominees. In such event, principal and interest with respect to the 2024 Bonds will be payable to the holders of the 2024 Bonds in accordance with the terms of the Indenture. DTC also may discontinue providing its services with respect to the 2024 Bonds by giving notice to the Corporation and discharging its responsibilities under applicable law.

If bond certificates are issued as provided above, the principal and interest due upon maturity or redemption of any of the 2024 Bonds (or earlier payment in full) will be payable at the office of the Trustee, as Paying Agent, in St. Paul, Minnesota, upon presentation and surrender of such 2024 Bonds by the registered owner thereof on or after the date of maturity or redemption, as the case may be. Payment of the interest on each 2024 Bond (prior to the maturity or earlier redemption thereof) will be made by the Trustee to the registered owner of such 2024 Bond by check mailed by first-class mail on the Interest Payment Date to such registered owner as of the Record Date at the address appearing on the registration books relating to such 2024 Bonds. A registered owner of \$1,000,000 or more in principal amount of Bonds shall be paid interest by wire transfer to an account in the United States if the registered owner makes a written request to the Trustee prior to the Record Date specifying the account address.

If certificates are issued as provided above, the 2024 Bonds may be transferred and exchanged by the registered owner thereof or the registered owner's attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the registered owner's duly authorized attorney at the office of the Trustee in Seattle, Washington. For every such exchange or transfer the Corporation or the Trustee may charge the transferee to reimburse it for its fees and expenses in connection with the transfer and any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange. The Trustee is not obligated to make any such transfer or exchange during the 15 days next preceding an Interest Payment

Date on any 2024 Bond or next preceding any selection of any 2024 Bond to be redeemed, or to transfer or exchange any 2024 Bond previously called for redemption except to the extent of any unredeemed portion thereof. If any 2024 Bond is mutilated, lost, stolen or destroyed, the Trustee may execute and deliver a new 2024 Bond of the same maturity, interest rate and principal amount as the 2024 Bond so mutilated, lost, stolen or destroyed, provided that such 2024 Bond is surrendered to the Trustee, or evidence of loss, destruction or theft, together with satisfactory indemnity, is provided to the Trustee. The fees and expenses of the Corporation and the Trustee in connection with such replacement shall be paid by the holder of the 2024 Bond.

Notices to Beneficial Owners

Each Beneficial Owner will receive any notices of redemption and other notices only through the DTC Participant from which each Beneficial Owner acquired its interest in the 2024 Bonds, who, in turn, will receive such notices through the facilities of DTC.

Neither the Trustee nor the Corporation shall have any responsibility or obligation to any DTC Participant, any person claiming a beneficial ownership interest in the 2024 Bonds under or through DTC or any DTC Participant, or any other person not shown on the registration books of the Trustee as being a registered owner of 2024 Bonds with respect to: the accuracy of any records maintained by DTC or any DTC Participant; the payment by DTC or any DTC Participant of any amount in respect of the principal of or interest on the 2024 Bonds; any notice which is permitted or required to be given to holders of the 2024 Bonds under the Indenture; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the 2024 Bonds; or any consent given or other action taken by DTC as the registered owner of the 2024 Bonds.

Any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner (having received notice from a DTC Participant, an Indirect Participant or otherwise) to notify the Beneficial Owner of any such notice and its contents or effect will not affect the validity of the redemption or of any other action premised on such notice.

When reference is made to any action which is required or permitted to be taken by the owners, such reference will only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such owners for such purposes.

REDEMPTION OF THE 2024 BONDS*

Special Redemption

The 2024 Bonds are subject to redemption, at the option of the Corporation, in whole or in part on a pro rata basis from among all outstanding maturities of the 2024 Bonds unless the Corporation directs the Trustee otherwise, on any date on or after December 1, 2024 (which date shall be determined by the Corporation, subject to the provisions of, and in accordance with, the Indenture and when so determined or selected shall be deemed as the redemption date), from amounts in the Program Obligation Fund which have not been expended for the purchase of Program Obligations at a price equal to 100% of the original issue price thereof plus accrued interest to the redemption date. Amounts available to redeem 2024 Bonds as described in this paragraph may be applied at the direction of the Corporation to any maturity of the 2024 Bonds.

* Preliminary; subject to change.

The 2024 Bonds are also subject to redemption, at the option of the Corporation, in whole or part on a pro rata basis from among all outstanding maturities of the 2024 Bonds unless the Corporation directs the Trustee otherwise, on any date beginning December 1, 2024, at a price equal to 100% of their principal amount plus accrued interest to the redemption date, from amounts available for such purpose in the Redemption Fund. Such amounts are expected to be generated primarily from repayments and prepayments of principal on Mortgage Loans represented by (or held directly as) Program Obligations, but may, at the discretion of the Corporation, include excess revenues relating to Mortgage Loans financed by the Corporation with proceeds of the 2024 Bonds (“2024 Bonds Mortgage Loans”), any previously issued Bonds or any Additional Bonds, and amounts in the Debt Service Account in excess of 2% of the outstanding balance of Mortgage Loans (exclusive of Mortgage Loans that have been exchanged for Mortgage Certificates). Amounts available to redeem the 2024 Bonds under the terms of this paragraph may be applied at the direction of the Corporation to any maturity of the 2024 Bonds. Any 2024 Bonds redeemed under the terms of this paragraph shall be redeemed at a price equal to 100% of their principal amount plus accrued interest to the redemption date. If the Corporation elects to redeem the 2024 Bonds other than on a pro rata basis pursuant to this paragraph, the Corporation shall file a Bond Coverage Certificate with the Trustee demonstrating Bond Coverage after giving effect to such redemptions.

The Corporation may elect in lieu of the redemption described in the preceding paragraph to transfer such amounts to the Program Obligation Fund for the purchase of new Program Obligations, subject to the limitations described below under “ASSUMPTIONS REGARDING THE 2024 BONDS STRUCTURE.” Amounts so transferred to the Program Obligation Fund which are not used for the purchase of new Program Obligations shall under certain circumstances be applied by the Corporation to the aforesaid redemption of 2024 Bonds.

Redemption When 2024 Bonds Outstanding Are 15% or Less of Initial Principal Amount

The 2024 Bonds are subject to redemption at 100% of the principal amount thereof, plus accrued interest to the redemption date, in whole on any date at the option of the Corporation, from any source of funds, if, in the case of the 2024 Bonds, the aggregate principal amount of then Outstanding 2024 Bonds (reduced by any 2024 Bonds otherwise to be redeemed on such date) is less than or equal to 15% of the aggregate initial principal amount of the 2024 Bonds \$[9,000,000].

Sinking Fund Redemption

The 2024 Bonds which are term bonds are also subject to redemption in part by lot within a maturity at 100% of the principal amount thereof plus interest accrued to the redemption date from mandatory sinking fund payment on the dates and in the principal amounts of such 2024 Bonds specified for each of the years shown below:

Sinking Fund Payment Schedules

2024 Bonds maturing _____

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
	\$

(maturity)

2024 Bonds maturing _____

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
	\$

(maturity)

2024 Bonds maturing _____

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
	\$

(maturity)

2024 Bonds maturing _____

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
	\$

(maturity)

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
	\$

(maturity)

Optional Redemption

The 2024 Bonds maturing on or after June 1, 2034, are redeemable, at the option of the Corporation, on or after December 1, 2033, in whole or in part, at any time from any moneys made available for such purpose, at 100% of the principal amount of the 2024 Bonds to be redeemed, plus interest, if any, accrued to the redemption date.

General Provisions

The Corporation may from time to time, prior to notice of redemption, purchase 2024 Bonds from moneys held for redemption at a price not in excess of the applicable Redemption Price plus accrued interest.

Any 2024 Bonds to be redeemed shall be redeemed in accordance with the requirements of the Indenture, and any such redemption (other than a sinking fund redemption) shall be credited against future Sinking Fund Payments applicable to the 2024 Bonds being redeemed on a pro rata basis, unless the Corporation directs the Trustee to credit otherwise.

Subject to applicable law, notwithstanding the maximum purchase price, if at any time the investment earnings on the moneys available for such purchase shall be less than the interest accruing on

the 2024 Bond to be redeemed, then the Trustee may pay a purchase price for any such 2024 Bond in excess of the Redemption Price that would be payable on the next redemption date to the Owner of such 2024 Bond, if the Corporation certifies to the Trustee that the amount paid in excess of said Redemption Price is less than the interest that is to accrue on said 2024 Bond less any investment earnings on such available moneys for the period from the settlement date of the proposed purchase to the redemption date.

Notice of the call for any redemption, identifying the 2024 Bonds or portion thereof to be redeemed, shall be given by the Trustee by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each 2024 Bond to be redeemed in whole or in part at the address shown on the registration books maintained by the Trustee. Neither failure to receive any redemption notice nor any defect in such redemption notice so given shall affect the sufficiency of the proceedings for the redemption of such Bonds.

THE PROGRAM OBLIGATION FUND

The Trustee has established a Program Obligation Fund for the 2024 Bonds. The Trustee shall deposit amounts available as a result of issuance of the 2024 Bonds in the 2024 Bond Proceeds Account of the Program Obligation Fund. The Corporation also may deposit additional funds and Program Obligations to the Program Obligation Fund during the initial acquisition period to satisfy the Bond Coverage requirements under the Indenture. Any Mortgage Loan represented by a Program Obligation purchased entirely with funds contributed by the Corporation need not comply with the mortgage requirements of the Code summarized hereafter.

The Trustee may disburse amounts held in the Program Obligation Fund as follows:

- (a) at the written direction of the Corporation, against delivery of Program Obligations to the Trustee for deposit in the Program Obligation Fund, assuming compliance with the cash flow and Bond Coverage calculations referred to under “ASSUMPTIONS REGARDING THE 2024 BONDS STRUCTURE”;
- (b) at the written direction of the Corporation, to purchase Investment Securities;
- (c) to the Interest Account or the Principal Account either (i) as directed in the most recently delivered Bond Coverage Certificate, or (ii) at the written direction of the Corporation to the extent necessary in the opinion of the Corporation to prevent a default in the payment of principal of or interest on the Bonds;
- (d) on the date or dates specified in the 2024 Supplemental Indenture to the General Account, any moneys then remaining in the applicable Bond Proceeds Account for the 2024 Bonds unexpended for the purchase of Program Obligations for certain transfers for redemption or recycling;
- (e) on any Interest Payment Date for the 2024 Bonds, as applicable, following completion of the purchase of the initial Program Obligation portfolio for the 2024 Bonds, as applicable, in an amount as certified to the Trustee in writing by an Authorized Officer, from the Accounts for the 2024 Bonds, as applicable, in the Program Obligation Fund, as applicable, to the Corporation free and clear of the lien and pledge of the Indenture but only upon receipt by the Trustee from the Corporation of a Bond Coverage Certificate demonstrating Bond Coverage after giving effect to the disbursement; or

(f) on any date, at the written direction of the Corporation, to the General Account, all or any portion of the moneys then on deposit in the Recycling Account.

The Corporation may acquire Program Obligations from moneys initially deposited in the Program Obligation Fund if it extends the Program Obligation acquisition period pursuant to the terms of the Indenture, upon filing with the Trustee a Bond Coverage Certificate, including confirmation from the Rating Agencies that such extension will not cause a reduction in the ratings on the Bonds then in effect.

“Bond Coverage Certificate” means a Certificate establishing Bond Coverage as of a specified date of certification. “Bond Coverage” means a condition which shall be deemed to exist as of any date of certification if either the test set forth in paragraph (i) below or the test set forth in paragraph (ii) below is met as of such date:

(i) the Corporation delivers to the Trustee a Certificate certifying (A) that the Over Collateralization Requirement has been met and that the Minimum Debt Service Account Requirement has been met and (B) that the schedules attached thereto show receipt and application of Eligible Funds which are in any Fund sufficient and available to provide timely payment of the principal of and interest on the Bonds of each Series on each Debt Service Payment Date and Program Expenses, up to the amount permitted to be paid out of the Operating Account within the Redemption Fund pursuant to the Indenture, from (and including) the first interest payment date that is or that follows the date of certification to the maturity of the Bonds; or

(ii) the Corporation delivers to the Trustee a Bond Coverage Certificate certifying as to another calculation (including, without limitation, any definition or component thereof) that is of Rating Quality. The Trustee is entitled to rely on the Certificate as to Rating Quality.

“Rating Quality” means, with respect to any Series of Bonds, having terms, conditions and/or a credit quality such that the item stated to be of “Rating Quality” will not, as confirmed in writing received by the Trustee from each of the Rating Agencies, impair the ability of the Corporation to obtain the ratings from the Rating Agencies initially anticipated to be received with respect to such Bonds as described in the Supplemental Indenture authorizing such Bonds and, if the Bonds have been rated, will not cause any such Rating Agency to lower or withdraw the rating it has assigned to the Bonds of such Series or to any other Outstanding Bonds.

The Corporation expects that the funds deposited into the Program Obligation Fund on the date of issuance of the 2024 Bonds will be disbursed to it against the deposit of Program Obligations. It is expected that the cash flow from such Program Obligations, together with other Pledged Revenues (including investment income) and moneys from the Debt Service Account, will be sufficient to pay the principal of and interest on the Bonds.

Program Obligations are expected to consist of Mortgage Loans to be or which have been originated under the Corporation’s ongoing Veterans Mortgage Program. See “THE CORPORATION—Lending Activities” for a description of the Veterans Mortgage Program.

Under certain circumstances the Indenture permits the Corporation to withdraw amounts held in the Program Obligation Fund free and clear of the lien of the Indenture. Any such withdrawal must be accompanied by a Bond Coverage Certificate demonstrating the sufficiency of revenues to pay principal and interest on the Bonds, notwithstanding such withdrawal, under certain assumptions set forth in the Indenture.

The Special Mortgage Loan Purchase Program

The Special Mortgage Loan Purchase Program, under which the Veterans Mortgage Program is operated, was established by the Corporation in 1980 in connection with a major expansion of the Corporation's functions by the State Legislature. Since June 1980, the Special Mortgage Loan Purchase Program has been a significant funding source for financing owner occupied housing in the State. Under the Special Mortgage Loan Purchase Program, the Corporation purchases first mortgage loans in amounts not in excess of those established for the State by FNMA (except for 1 unit single family mortgage loans, which may not exceed 110% of such FNMA limits). The Corporation's mortgage loan limits are currently \$1,264,807 for single family loans, \$1,472,250 for duplexes, \$1,779,525 for a triplex, and \$2,211,600 for a four-plex in the State of Alaska. The loan to value ratio may not exceed [95]% for a single-family, 90% for a duplex, or 80% for a triplex or four-plex (except for federally guaranteed or insured mortgage loans, which may have a loan to value ratio in excess of 100% if acceptable to the guarantor or insurer).

Under the Special Mortgage Loan Purchase Program, all prospective residential mortgage loans submitted to the Corporation are subject to review pursuant to its delegated underwriting procedures and all loans with loan to value ratios in excess of 80% be insured through private mortgage insurance or federal insurance or guarantee.

The Corporation's approval of property and credit for residential loans generally follows a procedure which complies with FHLMC and FNMA guidelines and applicable federal and state laws and regulations. The mortgage loans must have been originated by an approved seller ("Seller") having experienced and qualified underwriters and utilizing appraisers and credit reporting agencies acceptable and/or approved by the Corporation. The Seller is required to provide the Corporation with a description of the prospective borrower's financial condition, including their current verified annual income and credit score. The Seller obtains a factual data credit report which summarizes the borrower's credit history with local and non-local creditors, as well as a search of the public records for suits, liens, judgments and bankruptcies. In addition, the Seller obtains from the borrower's employer information with respect to length of employment, current salary and expectations of continued employment. Self-employed applicants are required to provide copies of income tax returns as well as certain other financial data sufficient to determine reliability and adequacy of income. The Seller also verifies from all creditors the repayment history, opening balances and adequacy of repayment of all installment debt shown on the credit report and application. Verifications of deposit are secured for all financial institutions disclosed by the borrower. At present, Sellers are generally required to follow FNMA or FHLMC lending guidelines and use automated underwriting.

The Seller causes an appraisal to be made on each home to be financed. Such appraisal presently is made by an independent appraiser who holds a current general or residential certification and is approved by the Seller. In order to avoid undue influence by the buyer, the seller, or the listing or selling real estate agent, arrangements for the appraisal are made by the Seller/Service.

When a loan to be purchased by the Corporation is the first permanent financing on the structure, with the construction financing appraisal having been based on plans and building specifications, a recertification of value by the original appraiser is required prior to the closing of the permanent mortgage. A copy of this recertification must be maintained the Seller's records. The recertification confirms that the home was completed in accordance with the original plans and specifications and that the value is, at a minimum, equal to the original appraised value.

Mortgage Certificates

The Bonds may also be secured by Mortgage Certificates that the Corporation may acquire in exchange for certain Mortgage Loans. The Mortgage Certificates will consist of “fully modified pass through” mortgage backed certificates (the “GNMA Certificates”), guaranteed by GNMA and/or by Guaranteed Mortgage Pass Through Certificates (the “FNMA MBSs”) issued by FNMA and/or by Guaranteed Mortgage Pass Through Participation Certificates (the “FHLMC PCs”) issued by FHLMC (GNMA Certificates, FNMA MBSs and FHLMC PCs being hereafter referred to as “Mortgage Certificates”). The guaranty of the GNMA Certificates will be backed by the full faith and credit of the United States. The FHLMC PCs will not be backed directly or indirectly by the full faith and credit of the United States but by the credit of FHLMC, a federally chartered, stockholder owned corporation. The FNMA MBSs will not be backed directly or indirectly by the full faith and credit of the United States but by the credit of FNMA, a federally chartered, stockholder owned corporation. No agreement presently exists between FNMA or FHLMC and the Corporation (and none is expected) for the acquisition of FNMA MBSs or FHLMC PCs.

MORTGAGES AND MORTGAGE SERVICING

The Mortgages

The Mortgage Loans related to the proceeds of the 2024 Bonds will be made to “qualified veterans.” Currently, “qualified veteran” means any veteran (i) who served on active duty and (ii) who applied for financing before the date 25 years after the last date on which such veteran left active service. In general, and subject to certain limitations in the federal law, a person who has served on active duty in the Armed Forces and who was discharged or released therefrom under conditions other than dishonorable will qualify as a veteran. Discharge includes completion of the original period of duty. Included in the definition of veteran, in addition to those who have served on full time duty in the Army, Air Force, Navy, Marine Corps or Coast Guard, including the reserve components thereof, will be certain commissioned officers of the Public Health Service, National Oceanic and Atmospheric Administration, and Coast and Geodetic Survey and certain cadets and midshipmen.

Each of the Mortgage Loans will be a “single family” mortgage loan secured by a first mortgage lien on residential property located in the State. The term “single family” mortgage loan as used herein means a permanent loan (as opposed to a construction or land development loan) secured by a mortgage on owner occupied, one to four family units, as well as individual condominiums and other separate dwelling units even when located in buildings containing more than two units.

The Mortgage Loans may be prepaid, in whole or in part, at any time without penalty or charge. Revenues received in respect of Program Obligations, including amounts attributable to Mortgage Loan prepayments (unless transferred to the Program Obligation Fund and used to purchase additional Program Obligations), are required to be deposited in the Revenue Fund and will be applied, together with amounts available from scheduled mortgage payments, investment earnings and other revenues, to, among other things, meet annual sinking fund redemption requirements, principal maturities and special redemption of Bonds.

In purchasing the Mortgage Loans, the Corporation requires the originating institution to furnish to the Corporation the original mortgage note and a title insurance policy in an amount equal to the unpaid principal due on the mortgage. The Corporation also requires generally that all taxes, assessments and water and sewage charges have been duly paid and that a hazard insurance policy exists in an amount equal to the unpaid principal due on the mortgage.

Mortgage Servicing on Single Family Loans

The Servicers approved by the Corporation service the mortgage loan for a fee. As compensation, the Servicers service the mortgage loan for a fee that is captured from the borrower's monthly payment. The annual fee amount is generally equal to 3/8 of 1% of the unpaid balance due on such mortgage loan. These fees are payable to the Servicer from the time of loan purchase by the Corporation until the loan is paid in full or for as long as the Servicer collects the loan payments. The Corporation has adopted standards for qualifying eligible servicing institutions and underwriting and servicing guidelines with respect to the record of and collection of principal and interest on the mortgage loans and the rendering to the Corporation of an accounting of funds collected. The servicing of a mortgage loan includes the responsibility for foreclosure, but not the bearing of any expenses thereof. The Servicers are required to work with borrowers to cure any default in scheduled mortgage payments including any advances, and is required to pay from scheduled mortgage payments, taxes, assessments, levies and charges, and premiums for hazard insurance and mortgage insurance, as they may become due.

Regularly scheduled principal and interest payments on the mortgage loans are required to be deposited by the Servicers with the Corporation's correspondent bank. Such funds (net of applicable servicing fees) are remitted to the Corporation's correspondent bank by the Servicer by the next business day following receipt where net collections exceed \$5,000. The balance of such monthly payments, representing payments for such items as property taxes and mortgage insurance, are retained by the Seller/Servicer and applied as necessary. The funds are held in a custodial account and invested for the benefit of the Trustee pending their transfer once a month to the Trustee.

The Corporation maintains detailed mortgage loan collection information on its internal data processing system. The Corporation's system generates the collection reports and consolidates actual collections by individual bond series.

The Corporation reviews individual Servicer reports to ascertain the extent of mortgagor payment delinquencies and servicer processing delays in order to determine the appropriate corrective action, if any, to be taken by the Corporation through the Servicer. The Servicer is expected to maintain delinquency rates on loans owned by the Corporation at a level below or comparable with other Servicers. Under the Corporation's monitoring system, if the Servicer's delinquency rate, either in total or for a program exceeds 1.5 times the Corporation's delinquency rate for three consecutive months, the Servicer is subject to suspension from further participation in one or more of the Corporation's loan programs.

Insurance

The following description of certain mortgage insurance policies and guarantees is only a brief outline and does not purport to summarize or describe all of the provisions thereof.

Private Mortgage Insurance, FHA Insurance, and VA, RD, and HUD-184 Guarantees

Any Purchased Mortgage Loan which has an original principal amount exceeding 80% of the value of the mortgaged property is required to be (a) insured by FHA, (b) guaranteed by VA, RD, or the Department of Housing and Urban Development ("HUD") under Section 184 of the Housing and Community Development Act of 1992 ("HUD-184"), or (c) insured under a private mortgage insurance policy in the amount (i) equal to 12% of the Mortgage Loan if the loan to value ratio is 85% or less or (ii) equal to 25% of the Mortgage Loan if the loan to value ratio is 90% or less or (iii) equal to 30% of the Mortgage Loan if the loan-to-value exceeds 90%. The only Mortgage Loans which the Corporation is presently purchasing at a loan to value ratio which exceeds 95% are federally insured or guaranteed Mortgage Loans. FHA insurance coverage and RD and HUD-184 guarantees will equal 100% of the

outstanding principal balance of all FHA insured, RD or HUD-184 guaranteed Mortgage Loans. The RD guarantee covers the lesser of (a) any loss up to 90% of the original principal amount of the Mortgage Loan or (b) 100% of any loss up to 35% of the original principal amount of the Mortgage Loan plus 85% on any additional loss up to 65% of the principal advanced. For all VA guaranteed Mortgage Loans, the VA guarantee plus the down payment must be at least 25% of the original Mortgage Loan amount. The FHA insurance or VA guarantee are required to be maintained for the entire period during which the Corporation owns an interest in the Mortgage Loan. FHA regulations do not permit the inclusion of the “due-on-sale” provision in the form specified in the Corporation’s Regulations. The private mortgage insurance policy will be maintained in force and effect (a) for the period during which the Corporation owns an interest in the Mortgage Loan or (b) until the outstanding principal amount of the Mortgage Loan is reduced to 80% of the lesser of the original appraised value of the mortgaged property or the original sale price of the mortgaged property and the loan is current. The cost of any such insurance or guarantee will be paid by the mortgagor. Streamlined Mortgage Loans will also be insured to the extent the original loan at the time of refinancing requires such insurance. No representation is made as to whether or not any Transferred Mortgage Loan satisfies any of the requirements set forth above.

In general, FHA, VA, RD, and HUD-184 regulations and private mortgage insurance contracts provide for the payment of insurance or guarantee benefits to a mortgage lender upon the failure of a mortgagor to make any payment or to perform any obligation under the insured or guaranteed mortgage loan and the continuance of such failure for a stated period. In order to receive payment of insurance or guarantee benefits, a mortgage lender, such as the Corporation, normally must acquire title to the property, either through foreclosure or conveyance in lieu of foreclosure, and convey such title to the insurer or guarantor. Alternatively, where it is determined that the default was caused by circumstances beyond the control of the mortgagor, and foreclosure or conveyance in lieu of foreclosure is completed, the Servicer files a claim for the insurance payment. In general, private mortgage insurance benefits, as limited by the amount of coverage indicated above, are based upon the unpaid principal amount of the mortgage loan at the date of institution of foreclosure proceedings or the acquisition of the property after default, as the case may be, adjusted to reflect certain payments paid or received by the mortgage lender. Where property to be conveyed to an insurer or guarantor has been damaged, it is generally required, as a condition to payment of an insurance or guarantee claim, that such property be restored to its original condition (reasonable wear and tear excepted) by the mortgage lender prior to such conveyance or assignment.

Standard Homeowner Insurance Policies

Each mortgagor will be required to maintain for the mortgaged property a standard homeowner’s insurance policy must at least equal the lesser of 100% of (i) the maximum insurable value of the mortgaged property or (ii) the unpaid principal amount of the mortgage loan. The insurance policy will be written by an insurance company qualified to do business in the State of Alaska and qualified to provide insurance on or in connection with mortgages purchased by FHLMC or FNMA. The mortgagor will pay the cost of the standard homeowner insurance policy.

In general, a standard homeowner’s form of fire with extended coverage policy insures against physical damage to or destruction of the improvements on the property by fire, lightning, explosion, smoke, windstorm, hail, riot, strike, and civil commotion, subject to the conditions and exclusions particularized in each policy. Policies typically exclude physical damage resulting from the following: war, revolution, governmental action, floods and other water related causes, earth movement (including earthquakes, landslides and mud slides), nuclear reactions, wet or dry rot, vermin, rodents, insects or domestic animals, theft, and, in certain cases, vandalism.

Historical Veterans Mortgage Program Data

The following information is based on the Corporation's total portfolios of the types of loans described therein. It should not be regarded as indicative of the final composition of the Program Obligation portfolio.

Pledged Mortgage Loans Data

As of February 29, 2024, there were Mortgage Loans pledged to the Indenture (the "Pledged Mortgage Loans") with an outstanding aggregate principal balance of approximately \$100,656,624, with a weighted average yield to the Indenture of approximately 4.460% per annum, with a weighted average mortgage loan coupon rate to the borrower of approximately 4.157% per annum and a weighted average remaining term of approximately 314 months.

The following table sets forth certain information regarding the type of primary mortgage insurance coverage originally applicable to the Pledged Mortgage Loans.

Pledged Mortgage Loans Primary Insurance

Insurance Type	Outstanding Principal Balance	Percentage by Principal Balance
Federally Insured – VA	\$78,340,731	77.8%
Uninsured	16,342,189	16.2
Private Mortgage Insurance	5,355,948	5.4
Federally Insured – FHA	<u>617,756</u>	<u>0.6</u>
TOTAL	<u>\$100,656,624</u>	<u>100.0%</u>

Purchased Mortgage Loans Data

As of February 29, 2024, there were Mortgage Loans already purchased by the Corporation and available for funding into the Indenture with the proceeds of the 2024 Bonds (the "Purchased Mortgage Loans") with an outstanding aggregate principal balance of approximately \$47,902,325, bearing interest at a weighted average yield to the Indenture of approximately 6.106% per annum, with a weighted average mortgage loan coupon rate to the borrower of approximately 6.068% per annum and a weighted average remaining term of 355 months.

The following table sets forth certain information regarding the type of primary mortgage insurance coverage originally applicable to the Purchased Mortgage Loans.

Purchased Mortgage Loans Primary Insurance

Insurance Type	Outstanding Principal Balance	Percentage by Principal Balance
Federally Insured – VA	\$34,851,586	72.8%
Uninsured	7,827,126	16.3
Private Mortgage Insurance	<u>5,223,613</u>	<u>10.9</u>
TOTAL	<u>\$47,902,325</u>	<u>100.0%</u>

Committed Mortgage Loans Data

In addition to the Purchased Mortgage Loans detailed above that are expected to be funded at closing, the Corporation also anticipates funding, with proceeds of the 2024 Bonds, an additional \$[12.1] million of qualified Mortgage Loans from its current pipeline (the “Committed Mortgage Loans”) that are expected to be purchased by closing.

As of February 29, 2024, there were Committed Mortgage Loans having an outstanding aggregate principal balance of approximately \$14,959,178, bearing interest at a weighted average yield to the Indenture of approximately 5.750% per annum, with a weighted average mortgage loan coupon rate to the borrower of approximately 5.750% per annum and a weighted average remaining term of 358 months.

The following table sets forth certain information regarding the type of primary mortgage insurance coverage originally applicable to the Committed Mortgage Loans.

Committed Mortgage Loans Primary Insurance

Insurance Type	Outstanding Principal Balance	Percentage by Principal Balance
Federally Insured – VA	\$10,792,873	72.2%
Uninsured	2,455,624	16.4
Private Mortgage Insurance	1,288,900	8.6
Federally Insured – USDA	<u>421,781</u>	<u>2.8</u>
TOTAL	<u>\$14,959,178</u>	<u>100.0%</u>

OCR Fund Loans

In addition to the above-described mortgage portfolios, the Corporation also maintains an Over-Collateralization Reserve Fund at 30% of total outstanding loans which is available to support scheduled principal and interest debt service payments. As of February 29, 2024, the OCR Fund held mortgage loans having an outstanding aggregate principal balance of approximately \$30,091,285, as well as eligible securities in the amount of approximately \$360,629.

CERTAIN LEGAL ASPECTS OF THE MORTGAGE LOANS

Pledge of Mortgage Loans

The form of assignment to the Corporation of each mortgage deed of trust relating to Mortgage Loans purchased from the proceeds of the Bonds or originated from surplus revenues will expressly recite the interest of the Trustee on behalf of the holders of outstanding bonds of the Corporation in the mortgaged property. That assignment will be recorded with the appropriate real property recording office for the jurisdiction in which the property is located. The Indenture pledges to the Trustee and the holders of the Bonds, the Mortgage Loans, Deeds of Trust, Pledged Revenues and any and all assets held in any fund or account under the Indenture. Section 18.56.120 of the Act provides that such a pledge is valid and binding from the time the pledge is made and, further, that any assets or revenues so pledged are immediately subject to the lien of the pledge without physical delivery or any further act and without regard to whether any third party has notice of the lien of the pledge. Physical custody of each mortgage note is retained by the Corporation and the related deed of trust is retained by the originating lending institution. Notwithstanding the fact that the Trustee does not have physical possession of those instruments, and while Bond Counsel is unaware of any controlling judicial precedent, it is the opinion of Bond Counsel that the effect of (i) recording the assignment in the form described, (ii) execution and delivery of the Indenture and (iii) the

statutory provisions referred to above afford the Trustee (on behalf of holders of Bonds of the Corporation) priority as against any competing claimants alleging any financial interest in the Mortgage Loans which have been so assigned.

Alaska Foreclosure Laws

The real estate security instrument customarily used in the State is the deed of trust. The parties to the deed of trust are the trustor (debtor), trustee and beneficiary (lender). Trustees are commonly title insurance companies. Both summary and judicial foreclosure proceedings are permitted. The deed of trust does not effect a conveyance of legal title, which remains in the trustor. The beneficiary acquires a security interest (lien) which may be enforced in accordance with the terms of the deed of trust and State statutes. Failure of the trustor to perform any of the covenants of the deed of trust generally constitutes an event of default entitling the beneficiary to declare a default and exercise its right of foreclosure.

Summary foreclosure may be used if provided for in the deed of trust. All deeds of trust securing loans to be funded from the proceeds of the Bonds contain provisions which permit summary foreclosure. Following a default by the trustor, upon request of the beneficiary and not less than 90 days before the sale, the trustee must record a notice of default in the recording district in which the property is located. Within 10 days after recording the notice of default, the trustee must mail a copy of the notice of default to the trustor, any successors in interest to the trustor, anyone in possession or occupying the property, and anyone who has an interest subsequent to the interest of the trustee in the deed of trust. If the default may be cured by the payment of money, the trustor may cure the default at any time prior to sale by payment of the sum in default without acceleration of the principal which would not then be due in the absence of default, plus actual costs and attorney's fees due to the default. If default has been cured under the same deed of trust after notice of default two or more times, the trustee may elect to refuse payment and continue the foreclosure proceeding to sale. Notice of the sale must be posted in three public places within five miles of where the sale is to be held, not less than 30 days before the day of sale and by publishing a copy of the notice four times, once a week for four successive weeks, in a newspaper of general circulation published nearest the place of sale and by publishing notice of the sale on an internet website at least 45 days before the date of the sale. The sale must be made at public auction at a courthouse of the superior court in the judicial district where the property is located, unless the deed of trust provides for a different place. After the sale, an affidavit of mailing the notice of default and an affidavit of publication of the notice must be recorded in the recording district where the property is located. The foreclosure sale and conveyance transfers all the title and interest which the trustor had in the property sold at the time of the execution of the deed of trust plus all interest the trustor may have acquired before the sale and extinguishes all junior liens. There is no right of redemption unless otherwise provided by the deed of trust. A deficiency judgment is prohibited where summary foreclosure is utilized.

Judicial foreclosure is also permitted. A deficiency judgment is allowed where judicial foreclosure is utilized, but judicial foreclosure is much more time-consuming than summary foreclosure. The judgment debtor under a judicial foreclosure proceeding has the right to redeem the property within 12 months from the order of confirmation. If the judgment debtor redeems the property, the foreclosure proceeding is terminated. Otherwise, within 60 days after the order confirming the foreclosure sale, any subsequent lien creditor can redeem the property. There can be as many redemptions as there are subsequent lien creditors. Upon expiration of the redemption period, the purchaser or redeemer is entitled to a conveyance of the property.

ASSUMPTIONS REGARDING THE 2024 BONDS STRUCTURE

The Corporation will use 2024 Bond proceeds to purchase Program Obligations which, together with investment earnings thereon, are expected to be sufficient to pay the debt service on the 2024 Bonds.

The Program Obligations consisting of Mortgage Certificates and Mortgage Loans are expected to provide for level monthly payments of principal and interest.

The Corporation has determined that it may reduce its future financing requirements by hereafter acquiring Mortgage Loans or other Program Obligations representing new Mortgage Loans from revenues which are expected to be generated primarily from repayments and prepayments of principal on Mortgage Loans represented by (or held directly as) Program Obligations. The Indenture requires that all such excess revenues be used either to redeem Bonds or purchase Program Obligations upon delivery to the Trustee of the Bond Coverage Certificate. The 2024 Bonds have been structured to mature no later than December 1, [2053], in order to permit the Corporation to acquire future Program Obligations through recycling of loan repayments and prepayments. However, should the Corporation elect not to recycle, it is expected that a substantial portion of the 2024 Bonds would be redeemed prior to their scheduled maturity. The Corporation's election to purchase new Program Obligations will depend on various factors not now determinable, including the level of future interest rates and the availability of tax-exempt financing.

Upon each purchase of new Program Obligations, the Corporation will deliver to the Trustee a Bond Coverage Certificate which is designed to determine that, using various assumptions as to prepayments of principal and interest on such Program Obligations and investment earnings thereon at assumed rates, revenues will be sufficient to pay the principal and interest on the Bonds. The Corporation may in the future use a method of calculation other than the method specified in the Indenture if the new method will not cause any bond rating agency (which the Corporation has requested issue a rating on the Bonds) to lower or withdraw the ratings it has assigned to the Bonds.

Upon each purchase of new Mortgage Loans not exchanged for Mortgage Certificates, the Corporation will deliver to the Trustee a certification to the effect that the Over Collateralization Requirement established with respect to the proposed delivery of such Mortgage Loans has been satisfied through the contribution by the Corporation of additional Program Obligations, Investment Securities or funds to the OCR Fund. The Over Collateralization Requirement established with respect to a delivery of Mortgage Loans not exchanged for Mortgage Certificates will vary as a percentage of such Mortgage Loans to be acquired based upon the mix of particular mortgage loan characteristics including loan to value ratio, type and amount of mortgage insurance and property type. The Corporation may be required to deliver additional Program Obligations, Investment Securities or funds to the OCR Fund in an amount equal to the Over Collateralization Requirement each time the Trustee disburses Bond proceeds to acquire Mortgage Loans not exchanged for Mortgage Certificates. The OCR Fund was established to mitigate potential losses, if any, on Mortgage Loans that have not been converted to Mortgage Certificates, but will only be used to supplement revenues in the event that funds on deposit in the Revenue Fund and the Redemption Fund are insufficient to meet a Debt Service Payment on the Bonds. The Corporation may in the future use a different method of satisfying the Over Collateralization Requirement or change the method of calculation thereof if such difference or change will not adversely affect the current ratings assigned to the Bonds without regard to bond insurance or any other form of credit enhancement by any bond rating agency (which the Corporation has requested issue a rating on the Bonds).

A number of factors, including general economic conditions, changing mortgage market interest rates and homeowner mobility, will affect the prepayment experience with respect to the Mortgage Loans pledged to secure the Bonds and, therefore, the average life of the 2024 Bonds. Among the principal other factors which could affect the average life of the 2024 Bonds are:

- (a) The refinancing of Mortgage Loans currently held by the Corporation may continue to represent a substantial future activity. Refinancing may involve the prepayment of outstanding Mortgage Loans and the possible redemption of Bonds at par or prepayment of bonds and notes originally issued to finance the purchase of the Mortgage Loans. Accordingly,

prepayment of the Mortgage Loans securing the Bonds could result from future refinancing programs offered by the Corporation. Conversely, if the Corporation's refinancing program were to cease, prepayments of the Corporation's Mortgage Loans might decline significantly.

(b) Mortgage Loan delinquencies can lead to foreclosures that result in prepayments. At February 29, 2024, approximately 3.75% of the Corporation's Pledged Mortgage Loans were reported as 30 days or more delinquent or in foreclosure. The Corporation had no foreclosures of Pledged Mortgage Loans in the 8 months ended February 29, 2024. In view of the time required to complete foreclosure proceedings and other uncertainties inherent in the foreclosure process, such delinquencies and foreclosures will not necessarily result in a rapid prepayment of the Mortgage Loans.

(c) Provisions of the current form of a Mortgage Loan financed by the Corporation permitting the assumption of such loans by eligible mortgagors will affect the Corporation's prepayment experience. When a mortgage loan is assumed by the purchaser of the related property, the existing mortgage loan is not prepaid. Future changes in this form may also affect its prepayment experience.

(d) The Indenture permits the Corporation to deliver a variety of Program Obligations, including but not limited to Mortgage Loans and Mortgage Certificates. The new Program Obligations may have original terms ranging from not less than 15 years to not more than 30 years. Existing Program Obligations may have shorter remaining terms. Shorter loan terms may result in a shorter average life of the 2024 Bonds than if the 2024 Bonds were secured exclusively by new Program Obligations representing 30-year Mortgage Loans.

(e) The Corporation retired \$960,000 of veterans program debt obligations from excess revenues (including prepayments of the principal on Mortgage Loans), prior to their stated maturity, during the 8 months ended February 29, 2024.

(f) There is no assurance that Program Obligations will be purchased within the estimated time, and if they are not purchased, a certain amount of unexpended moneys may be used to redeem the 2024 Bonds.

For these reasons, the Corporation cannot offer any assurances as to the rate at which Mortgage Loans will be acquired from 2024 Bond proceeds, the rate at which such Mortgage Loans will be prepaid, sold or assigned or the rate at which the Corporation may acquire new Mortgage Loans or other Program Obligations during the life of the Bond issue.

THE CORPORATION

Certain Definitions

"Authority" means the Alaska State Housing Authority.

"Board" means the Board of Directors of the Corporation.

"Department" means the former Department of Community and Regional Affairs.

"Dividend Plan" means the dividend plan adopted by the Board in 1991 to transfer one-half of the lesser of its unrestricted net income or total net income to the State.

“*Division*” means The Public Housing Division of the Corporation.

“*HUD*” means the U.S. Department of Housing and Urban Development.

“*Self-Liquidity Bonds*” means, collectively, the Corporation’s State Capital Project Bonds II, 2017 Series B, the Corporation’s State Capital Project Bonds II, 2018 Series A and State Capital Project Bonds II, 2019 Series A.

General

The Corporation was established in 1971 as a non-stock, public corporation and government instrumentality of the State. The Corporation currently functions as a major source of residential mortgage loan financing and capital project financing in the State. The Corporation’s programs were originally established to take advantage of tax-exempt financing permitted under federal income tax law. Mortgages which meet applicable federal income tax requirements are financed by selling tax-exempt bonds. All other mortgages generally are financed through the issuance of taxable bonds or from internal funds. Since 1972, the Corporation has acquired mortgage loans by appropriation from the State and by purchase from independent originating lending institutions operating throughout the State. On July 1, 1992, the Corporation succeeded to the public housing functions of the Authority and the rural housing and residential energy functions of the Department pursuant to legislation enacted in the State’s 1992 legislative session. As a result, the rights and obligations created by bonds and notes that were previously issued by the Authority became rights and obligations of the Corporation.

The Corporation prepares and publishes on its website a monthly Mortgage and Bond Disclosure Report containing detailed information concerning characteristics of the Corporation’s mortgage loan portfolios and outstanding bond issues, including bond redemptions and mortgage prepayments. The Corporation presently intends to continue to provide such information, but is not legally obligated to do so. Certain financial and statistical information relating to the Corporation and its programs under the subheadings “Activities of the Corporation,” “Financial Results of Operations” and “Legislative Activity/Transfers to the State — Dividend to the State of Alaska” below was obtained from the February 2024 Mortgage and Bond Disclosure Report of the Corporation and the audited financial statements of the Corporation as of and for the year ended June 30, 2023. Copies of such financial statements and disclosure report may be obtained upon request from the Corporation. The Corporation’s main office is located at 4300 Boniface Parkway, Anchorage, Alaska 99504, and its telephone number is (907) 338-6100. Electronic versions of the financial statements and disclosure reports are available at the Corporation’s website.

Board of Directors, Staff and Organization

The Corporation is required by law to comply (except for the procurement provisions of the Alaska Executive Budget Act), and does comply, with the State budget process. The Corporation administratively operates within the State Department of Revenue. The Board of Directors of the Corporation is comprised of the Commissioner of Revenue, the Commissioner of Commerce, Community and Economic Development and the Commissioner of Health and Social Services, as well as four members from the following sectors of the general public appointed by the Governor to serve two-year terms: one member with expertise or experience in finance or real estate; one member who is a rural resident of the State or who has expertise or experience with a regional housing authority; one member who has expertise or experience in residential energy efficient home-building or weatherization; and one member who has expertise or experience in the provision of senior or low-income housing. The powers of the Corporation are vested in and exercised by a majority of its Board of Directors then in office, who may delegate such

powers and duties as appropriate and permitted under the Act. The Corporation's current members of its Board of Directors are as follows:

Name	Location
Brent LeValley Chair	Retired Fairbanks, Alaska
Jess Hall	Hall Quality Homes Palmer, Alaska
Allen Hippler	Chief Financial Officer, Taġiugmiullu Nunamiullu Housing Authority, Anchorage, Alaska
Mr. David Pruhs	Mayor, City of Fairbanks Fairbanks, Alaska
Adam Crum Commissioner Alaska Department of Revenue	Fadil Limani (designee) Deputy Commissioner Alaska Department of Revenue Juneau, Alaska
Heidi Hedberg Commissioner Alaska Department of Health and Social Services	Emily Ricci (designee) Deputy Alaska Department of Health and Social Services Juneau, Alaska
Julie Sande Commissioner Alaska Department of Commerce, Community and Economic Development	Sandra Moller (designee) Director Alaska Department of Commerce, Community and Economic Development Anchorage, AK

Principal financial officers of the Corporation are as follows:

Bryan D. Butcher - Chief Executive Officer/Executive Director. Mr. Butcher rejoined the Corporation on August 7, 2013. Prior to his appointment as Chief Executive Officer/Executive Director, Mr. Butcher served as Commissioner of the Alaska Department of Revenue from January 2011 to August 2013, as the Corporation's director of governmental relations and public affairs from 2003 to 2011, and as a senior aide to the House and Senate Finance Committees of the Alaska Legislature for 12 years. Mr. Butcher holds a Bachelor of Science degree from the University of Oregon.

Akis Gialopsos - Deputy Executive Director. Mr. Gialopsos joined the Corporation in January 2023, having previously worked in the Alaska Legislature in various aide positions, including to the Alaska House of Representatives, to the Chief of Staff for the Alaska Senate President and to the Senate Resources Committee. He also served as Deputy Chief of Staff and as Legislative Director in the Office of Governor Mike Dunleavy. Mr. Gialopsos is a graduate of the University of Alaska, Anchorage.

Michael L. Strand - Chief Financial Officer/Finance Director. Mr. Strand joined the Corporation in 2001, and previously served as Senior Finance Officer, Finance Officer and Financial Analyst II. Prior

to joining the Corporation, he served as a budget analyst for Anchorage Municipal Light and Power and as a financial analyst for VECO Alaska. Mr. Strand is a graduate of the University of Alaska, Anchorage, with Bachelor of Business Administration degrees in finance and economics.

Derrick Chan - Senior Finance Officer. Mr. Chan joined the Corporation in 2014, and previously served as Finance Officer, Financial Analyst II and Planner I. Prior to joining the Corporation, he served as a non-commissioned officer with the United States Army. Mr. Chan is a graduate of the University of Oregon with a Bachelor of Business Administration degree and holds a Master of Business Administration degree with concentrations in Finance and Investments from the Alaska Pacific University.

Activities of the Corporation

The principal activity of the Corporation is the purchase of residential mortgage loans. This activity has been supplemented by the merger with the Authority under which the Corporation assumed responsibility for the public housing functions of the Authority and its assumption of the rural housing and residential energy functions of the Department. See “The Corporation — General.”

Financing Activities. The Corporation is authorized by the State Legislature to issue its own bonds, bond anticipation notes and other obligations in such principal amounts as the Corporation deems necessary to provide sufficient funds for carrying out its purpose.

Pursuant to State law, the maximum amount of bonds that the Corporation may issue during any fiscal year (the Corporation’s fiscal years end on June 30) is \$1.5 billion. Bonds issued to refund outstanding bonds and to refinance outstanding obligations of the Corporation are not counted against the maximum annual limit.

Since 1986, implementation of refinancing programs by the Corporation has resulted in the prepayment of outstanding mortgage loans with a corresponding redemption at par of substantial amounts of the Corporation’s notes or bonds secured by such mortgage loans.

Since 1997, the Corporation has issued certain Self-Liquidity Bonds, which are variable rate demand obligations with weekly interest rate resets. If these bonds are tendered or deemed tendered, the Corporation has the obligation to purchase any such bonds that cannot be remarketed. This general obligation is not secured by any particular funds or assets, including any assets that may be held under the related indentures. The Corporation may issue additional bonds for which it will provide liquidity support, similar to that which it currently provides for the Self-Liquidity Bonds.

Other variable rate demand obligations issued by the Corporation are the subject of liquidity facilities provided by third-party liquidity providers in the form of standby bond purchase agreements and/or letters of credit. If such obligations are tendered or deemed tendered, the related liquidity provider is obligated to purchase any such obligations that cannot be remarketed. Such purchase obligation also arises in connection with the expiration of such facility in the absence of a qualifying substitute therefor. Bonds so purchased and held by third-party liquidity providers will thereupon begin to bear higher rates of interest and be subject to accelerated mandatory redemption by the Corporation, in each case in accordance with and secured by the related indenture.

The following table sets forth certain information regarding the Corporation's variable rate demand obligations as of February 29, 2024:

<u>Bond Series</u>	<u>Amount Outstanding</u>	<u>Liquidity Provider (or Self-Liquidity)</u>	<u>Facility Expiration Date</u>
Governmental Purpose Bonds, 2001 Series A and B	\$59,950,000	Federal Home Loan Bank - Des Moines	April 22, 2025
Home Mortgage Revenue Bonds, 2002 Series A	25,050,000	Federal Home Loan Bank - Des Moines	April 22, 2025
Home Mortgage Revenue Bonds, 2007 Series A, B and D	198,820,000	Federal Home Loan Bank – Des Moines	December 15, 2025
Home Mortgage Revenue Bonds, 2009 Series A and B	142,360,000	Wells Fargo Bank, N.A.	August 19, 2024
Home Mortgage Revenue Bonds, 2009 Series D	71,175,000	Federal Home Loan Bank- Des Moines	April 22, 2025
State Capital Project Bonds II, 2017 Series B	90,000,000	Self-Liquidity ^{††}	NA [†]
State Capital Project Bonds II, 2018 Series A	90,000,000	Self-Liquidity ^{††}	NA [†]
State Capital Project Bonds II, 2019 Series A	140,000,000	Self-Liquidity ^{††}	NA [†]
State Capital Project Bonds II, 2022 Series A	<u>200,000,000</u>	Barclays Bank PLC	June 1, 2027
	<u>\$1,017,355,000</u>		

[†] The Corporation's obligation to purchase Self-Liquidity Bonds tendered or deemed tendered remains in effect so long as the related variable rate bonds are outstanding or until a qualifying third-party liquidity facility has replaced it.

^{††} A \$200,000,000 standby letter of credit is currently in place with the Sumitomo Mitsui Banking Corporation, acting through its New York Branch, to further support self-liquidity by providing funds for the purchase of the Corporation's Commercial Paper Notes and certain variable rate State Capital Project Bonds II which are tendered and not remarketed and which are supported by Self-Liquidity. Unless extended or terminated pursuant to its terms, this agreement will expire on June 13, 2025.

The Corporation's financing activities include, in addition to the issuance of Bonds under the Indenture, recurring long-term debt issuances under established bond indentures described below. Such issuances constitute the majority of the Corporation's financing activities.

Home Mortgage Revenue Bonds. The Corporation issues Home Mortgage Revenue Bonds to finance the purchase of mortgage loans or to refund other obligations of the Corporation. Mortgage loans and/or other assets are pledged as collateral for the Home Mortgage Revenue Bonds. Home Mortgage Revenue Bonds are also general obligations of the Corporation.

General Mortgage Revenue Bonds II. The Corporation issues General Mortgage Revenue Bonds II to finance the purchase of mortgage loans or to refund other obligations of the Corporation. Mortgage loans and other assets are pledged as collateral for the General Mortgage Revenue Bonds II. General Mortgage Revenue Bonds II are general obligations of the Corporation.

Collateralized Bonds. The Corporation funds its Veterans Mortgage Program with the proceeds of State-guaranteed Collateralized Bonds. Qualified mortgage loans and/or mortgage-backed securities are pledged as collateral for the Collateralized Bonds. Collateralized Bonds are also general obligations of the Corporation and general obligations of the State.

Governmental Purpose Bonds. The Corporation issues Governmental Purpose Bonds to finance capital expenditures of the State for governmental purposes, with certain proceeds available for general corporate purposes. Governmental Purpose Bonds are general obligations of the Corporation.

State Capital Project Bonds II. The Corporation issues State Capital Project Bonds II to finance designated capital projects of State agencies and the Corporation, to refund other obligations of the Corporation and to finance building purchases that may or may not be secured by lease agreements between the Corporation and the State of Alaska. State Capital Project Bonds II are general obligations of the Corporation.

The following tables set forth certain information as of February 29, 2024, regarding bonds issued under the above-described financing programs and the Bonds issued under the Indenture:

Bonds Issued and Remaining Outstanding by Program

<u>Bond Program</u>	<u>Issued through 2/29/2024</u>	<u>Issued During Eight Months Ended 2/29/2024</u>	<u>Outstanding as of 2/29/2024</u>
State Capital Project Bonds II	\$2,137,310,000	\$99,995,000	\$1,188,545,000
General Mortgage Revenue Bonds II [†]	1,165,960,000	120,000,000	701,850,000
Home Mortgage Revenue Bonds	1,262,675,000	0	437,405,000
Veterans Bonds	842,785,000	49,900,000	88,845,000
Governmental Purpose Bonds	973,170,000	0	59,950,000
Other Bonds	<u>14,069,994,771</u>	<u>0</u>	<u>0</u>
Total Bonds	<u>\$20,451,894,771</u>	<u>\$269,895,000</u>	<u>\$2,476,595,000</u>

[†] The Corporation issued its \$75,000,000 General Mortgage Revenue Bonds II, 2024 Series A, and \$48,120,000 General Mortgage Revenue Bonds II, 2024 Series B, on March 5, 2024; these series are not included in the table above.

Summary of Bonds Issued and Remaining Outstanding

	<u>Issued through 2/29/2024</u>	<u>Issued During Eight Months Ended 2/29/2024</u>	<u>Outstanding as of 2/29/2024</u>
Tax-Exempt Bonds ^{††}	\$14,842,769,771	\$149,895,000	\$1,743,200,000
Taxable Bonds	<u>5,609,125,000</u>	<u>120,000,000</u>	<u>733,395,000</u>
Total Bonds	<u>\$20,451,894,771</u>	<u>\$269,895,000</u>	<u>\$2,476,595,000</u>
Self-Liquidity Bonds [†]	\$380,000,000	\$0	\$320,000,000

[†] For information only. These amounts are already included in the categories above.

^{††} The Corporation's General Mortgage Revenue Bonds II, 2024 Series A and 2024 Series B, which were issued on March 5, 2024, and are not included in the table above, consisted of \$123,120,000 of Tax-Exempt Bonds.

The Corporation's financing activities also include recurring short-term debt issuances under established programs or agreements. The proceeds of such issuances may be used for any lawful purpose of the Corporation; however, the Corporation has in the past used and intends to continue to use such

proceeds to temporarily refund outstanding tax-exempt obligations prior to their permanent refunding through the issuance of tax-exempt bonds.

Commercial Paper Notes Program. On June 13, 2007, the Corporation's Board of Directors authorized a domestic Commercial Paper Notes Program with a major dealer under which the maximum principal amount of notes outstanding at any one time shall not exceed \$150,000,000. The Commercial Paper Notes Program is rated "P-1" by Moody's, "A-1+" by S&P, and "F1+" by Fitch.

Reverse Repurchase Agreements. The Corporation may enter into reverse repurchase agreements in such amounts as it deems necessary for carrying out its purpose.

TBA Markets. From time to time, in lieu of utilizing the proceeds of bond issues to finance certain federally insured or guaranteed mortgage loans, the Corporation pools those mortgage loans into GNMA Mortgage-Backed Securities and sells the securities into the national TBA ("To Be Announced") future delivery market.

Lending Activities

The Corporation finances its lending activities with a combination of general operating funds, bond proceeds, and loan prepayments and earnings derived from the permitted spread between borrowing and lending rates. The Corporation acquires mortgage loans after they have been originated and closed by direct lenders, which normally are financial institutions or mortgage companies with operations in the State. Under many of the Corporation's programs, the originating lender continues to service the mortgage loan on behalf of the Corporation. The Corporation also makes available a streamlined refinance option that allows applicants to obtain new financing secured by property that is currently financed by the Corporation without income, credit, or appraisal qualifications.

In addition to the lending programs described below, the Corporation funded a loan totaling approximately \$145 million (\$50 million on November 20, 2013; \$24 million on July 29, 2016; \$46 million on June 9, 2017; and \$25 million on January 12, 2018) for the construction and rehabilitation of rental housing on two United States Army bases in the State, Fort Wainwright and Fort Greely, bearing interest at a rate of 6.625% per annum and amortizing over a 40-year term maturing April 15, 2058, with a 35-year lockout for prepayment. As of February 29, 2024, the remaining principal balance on this loan was \$138,471,529.

Following are brief descriptions of the Corporation's lending programs:

First Home Limited Program. The First Home Limited Program offers lower interest rates to eligible borrowers who meet income, purchase price, and other requirements of the Code.

First Home Program. The First Home Program offers a reduced interest rate to first-time homebuyers who do not meet the Code requirements of the First Home Limited Program.

Veterans Mortgage Program. The Veterans Mortgage Program offers a reduced interest rate to qualified veterans who purchase or construct owner-occupied single-family residences or, with certain restrictions, who purchase a duplex, triplex, or fourplex.

Rural Loan Program. The Rural Loan Program offers financing to purchase, construct, or renovate owner occupied and non-owner occupied housing in small communities. The Rural interest rate is one percent below the calculated cost of funds established for the Corporation's Taxable Program and is applied to the first \$250,000 of the loan only. The balance of the loan is at the Rural interest rate plus 1%.

My Home Program. The My Home Program is available statewide for applicants or properties not meeting requirements of other Corporation programs. Borrowers and properties must meet the Corporation's general financing requirements.

Uniquely Alaskan Program. The Uniquely Alaskan Program is targeted toward non-conforming loans for certain properties for which financing may not be obtained through private, state or federal mortgage programs.

Military Facility Zone Program. The Military Facility Zone Program is available for qualified two-to-four-unit properties in Alaska's designated Military Facility Zone through June 30, 2024.

Multi-Family Loan Purchase Program. The Corporation participates with approved lenders to provide financing for the acquisition, rehabilitation, and refinancing of multi-family housing (buildings with at least five units and designed principally for residential use) as well as certain special-needs and congregate housing facilities.

The following tables set forth certain information as of February 29, 2024, regarding the mortgage loans financed under the above-described lending programs:

Mortgage Purchases by Program

<u>Loan Program</u>	<u>Original Principal Balance of Mortgage Loans Purchased during FY 2023</u>	<u>Original Principal Balance of Mortgage Loans Purchased during the Eight Months Ended 2/29/2024</u>
My Home	\$199,113,535	\$172,723,821
First Home	107,987,743	110,146,241
First Home Limited	75,569,661	77,729,099
Rural	47,683,159	20,700,892
Veterans	40,099,277	55,104,362
Multi-Family/Special Needs	22,226,725	5,616,850
Other Loan Programs	<u>5,354,630</u>	<u>1,123,050</u>
Total Mortgage Purchases	\$498,034,730	\$443,144,315

Percentage of Original Principal Balance of
Total Mortgage Purchases during Period
Representing Streamline Refinance Loans

0.0%

0.1%

Mortgage Portfolio Summary

	<u>As of 6/30/2023</u>	<u>As of 2/29/2024</u>
Mortgages	\$3,110,614,523	\$3,364,904,830
Participation Loans	83,672,212	110,835,420
REO/Unconventional Loans	<u>49,952,606</u>	<u>74,560,127</u>
Total Mortgage Portfolio	<u>\$3,244,239,341</u>	<u>\$3,550,300,377</u>

Mortgage Insurance Summary[†]

<u>Type</u>	<u>Outstanding Principal Balance as of 2/29/2024</u>	<u>Percentage of Total Mortgage Loans by Outstanding Principal Balance</u>
Uninsured ^{††}	\$1,954,679,976	55.1%
Private Mortgage Insurance ^{†††}	1,000,178,631	28.2%
Federally Insured – FHA	216,847,634	6.1%
Federally Insured – VA	190,965,823	5.4%
Federally Insured – RD	114,268,993	3.2%
Federally Insured – HUD 184	<u>73,359,320</u>	<u>2.0%</u>
TOTAL	<u>\$3,550,300,377</u>	<u>100.0%</u>

[†] This table contains information regarding the types of primary mortgage insurance coverage applicable to the Corporation's mortgage loans at their respective originations. No representation is made as to the current status of primary mortgage insurance coverage.

^{††} Uninsured Mortgage Loans represent loans for which the original loan-to-value ratio was not in excess of 80% (90% for loans in rural areas) and insurance coverage was therefore not required. No representation is made as to current loan-to-value ratios.

^{†††} The following table sets forth information with respect to the providers of such private mortgage insurance. No representation is made as to the amount of private mortgage insurance coverage provided by carriers whose claims-paying ability is rated investment grade or better by Moody's, S&P or Fitch.

<u>PMI Provider</u>	<u>Outstanding Principal Balance as of 2/29/2024</u>	<u>Percentage of Total Mortgage Loans by Outstanding Principal Balance</u>
Radian Guaranty	\$340,734,467	9.6%
United Guaranty	201,270,431	5.7%
Mortgage Guaranty	176,427,335	5.0%
Essent Guaranty	111,066,895	3.1%
National Mortgage Insurance	80,819,262	2.3%
Genworth GE	63,864,301	1.8%
CMG Mortgage Insurance	25,189,623	0.7%
PMI Mortgage Insurance	440,235	0.0%
Commonwealth	<u>366,082</u>	<u>0.0%</u>
TOTAL	<u>\$1,000,178,631</u>	<u>28.2%</u>

The following table sets forth certain delinquency information (including loans receiving forbearance or in loss mitigation) as of February 29, 2024:

Corporation Mortgage Delinquency and Foreclosure Summary

<u>PMI Provider</u>	<u>As of 6/30/2023</u>	<u>As of 2/29/2024</u>
Delinquent 30 Days	1.77%	1.65%
Delinquent 60 Days	0.41	0.67
Delinquent 90 Days or More	<u>0.73</u>	<u>0.65</u>
Total Mortgage Delinquency	<u>2.91%</u>	<u>2.97%</u>
Total Foreclosures	<u>\$4,168,814</u>	<u>\$3,232,859</u>

Public Housing Activities. The Corporation performs certain public housing functions in the State through the Division. The Division operates Low Rent and Section 8 New Construction/Additional Assistance housing to serve low-income families, disabled persons and seniors in several communities throughout Alaska. The Division also administers the rent subsidies for numerous families located in private-sector housing through vouchers, certificates, and coupons issued pursuant to Section 8 of the United States Housing Act of 1937. The Division's operating budget is funded primarily through contracts with HUD. The Division is engaged in a number of multifamily renovation and new construction projects throughout the State.

Financial Results of Operations

The following is a summary of revenues, expenses and changes in net position of the Corporation for each of its five most recent fiscal years ended June 30. For additional detail, see the Statement of Revenues, Expenses, and Changes in Net Position in the Corporation's financial statements as of and for the year ended June 30, 2023, included in Appendix A to this Official Statement.

Summary of Revenues, Expenses and Changes in Net Position (000's)

	<u>Fiscal Year Ended June 30</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Assets and Deferred Outflows	\$4,324,347	\$4,352,496	\$4,502,474	\$4,609,943	\$4,322,532
Total Liabilities and Deferred Inflows	2,696,097	2,753,035	2,886,543	3,002,979	2,751,109
Total Net Position	1,628,250	1,599,461	1,615,931	1,606,964	1,571,423
Total Operating Revenues	338,627	424,642	306,080	251,076	256,033
Total Operating Expenses	301,791	422,408	296,102	215,535	221,200
Operating Income (Loss)	36,836	2,234	9,978	35,541	34,833
Contribution to State or State agency	(8,047)	(933)	(1,011)	0	(2,106)
Change in Net Position	\$28,789	\$1,301	\$8,967	\$35,541	\$32,727

Legislative Activity/Transfers to the State

Prior Transfers to the State. The Board adopted the Dividend Plan in 1991 to transfer one-half of the lesser of its unrestricted net income or total net income to the State. Under the Dividend Plan, in 1991 the Corporation transferred a total of \$114,324,000 to the State. Additionally, in 1995, the Board voted to make a one-time payment to the State in the amount of \$200,000,000. On April 27, 1995, the Corporation agreed to make a one-time transfer of \$50,000,000 to the State and close the Dividend Plan. In 1997, the Corporation transferred to the State's general fund \$20,000,000 made available as a consequence of certain bond retirements.

The Current Transfer Plan. In the fiscal year 1996 capital appropriation bill (the April 27, 1995, agreement referred to in the immediately preceding paragraph and the 1996 capital appropriation bill, as amended, collectively, the "Transfer Plan") the Legislature expressed its intent that the Corporation transfer to the State (or expend on its behalf) amounts not to exceed \$127,000,000 in fiscal year 1996 and \$103,000,000 in each fiscal year from 1997 to 2000, but that, "[T]o ensure the prudent management of [the Corporation and] to protect its excellent debt rating ..." in no fiscal year should such amount exceed the Corporation's net income for the preceding fiscal year.

The 1998 Legislature adopted legislation (the "1998 Act") authorizing the Corporation to finance state capital projects through the issuance of up to \$224,000,000 in bonds. The 1998 Act also extended the term of the Transfer Plan by stating the Legislature's intent that the Corporation transfer to the State (or expend on its behalf) an amount not to exceed \$103,000,000 in each fiscal year through fiscal year 2006, again stating that, to protect the Corporation and its bond rating, in no fiscal year should such amount exceed the Corporation's net income for the preceding fiscal year.

The 2000 Legislature adopted legislation (the "2000 Act") authorizing the issuance of bonds in sufficient amounts to fund the construction of various State capital projects, and extended the Transfer Plan (as described above) through fiscal year 2008.

The 2002 Legislature adopted legislation (the "2002 Act") authorizing the issuance of \$60,250,000 in capital project bonds for the renovation and deferred maintenance of the Corporation's Public Housing facilities.

The 2004 Legislature adopted legislation (the "2004 Act") authorizing the additional issuance of bonds in sufficient amounts to fund the construction of various State capital projects. The bond proceeds are allocated to agencies and municipalities subject to specific legislative appropriation.

The Corporation has issued \$196,345,000 principal amount of State Capital Project Bonds pursuant to the 1998 Act, \$74,535,000 principal amount of State Capital Project Bonds pursuant to the 2000 Act, \$60,250,000 principal amount of State Capital Project Bonds pursuant to the 2002 Act, and \$45,000,000 principal amount of State Capital Project Bonds pursuant to the 2004 Act, and has completed its issuance authority under the Acts. Payment of principal and interest on these bonds is categorized as a transfer pursuant to the Transfer Plan and is included in the Corporation's capital budget.

The 2003 Legislature enacted Chapter 76 SLA 2003, subsequently amended by Chapter 120 SLA 2004, Chapter 7 SLA 2006 and Chapter 35 SLA 2010 (as so amended, the "2003 Act"), which modified and incorporated provisions of the Transfer Plan. The Corporation views the 2003 Act as an indefinite, sustainable continuation of the Transfer Plan. The 2003 Act provides that the amount transferred by the Corporation to the State in fiscal years 2004, 2005, and 2006 shall not exceed \$103,000,000 (in each case, less debt service on certain State Capital Project Bonds and any legislative appropriation of the

Corporation's unrestricted, unencumbered funds other than appropriations for the Corporation's operating budget).

The 2003 Act further provides that the amount transferred by the Corporation to the State in each fiscal year beginning with fiscal year 2007 shall not exceed:

- (a) the lesser of (i) \$103,000,000 and (ii) the respective percentage of adjusted change in net assets for the fiscal year two years prior thereto (the "base fiscal year") for such fiscal year set forth in the table below, less
- (b) debt service on certain State Capital Project Bonds, less
- (c) any legislative appropriation of the Corporation's unrestricted, unencumbered funds other than appropriations for the Corporation's operating budget.

<u>Fiscal Year</u>	<u>Percentage of Adjusted Change in Net Assets</u>
2007	95%
2008	85%
2009 and thereafter	75%

Under the 2003 Act, "adjusted change in net assets" means the change in net assets for a base fiscal year as reflected in the Corporation's financial statements, adjusted for capital expenditures incurred during such year and, effective June 20, 2010, temporary market value adjustments to assets and liabilities made during such year.

Dividend to the State of Alaska. Following are the details of the Corporation's dividend to the State as of June 30, 2023 (in thousands).

	<u>Dividend Due to State</u>	<u>Expenditures</u>	<u>Remaining Commitments</u>
State General Fund Transfers	\$799,514	\$(789,880)	\$9,634
State Capital Projects Debt Service	507,037	(503,292)	3,745
State of Alaska Capital Projects	294,915	(260,699)	34,216
Corporation Capital Projects	<u>592,842</u>	<u>(541,762)</u>	<u>51,080</u>
Total	<u>\$2,194,308</u>	<u>\$(2,095,633)</u>	<u>\$98,675</u>

Corporation Budget Legislation. The Corporation's fiscal year 2025 operating budget is expected to be enacted by the Legislature during the 2024 legislative session. Consistent with the Transfer Plan, the expected fiscal year 2025 capital budget estimates that \$47.9 million will be available from the adjusted change in net position for payment of debt service, appropriation for capital projects and transfers to the State General Fund.

There can be no assurance that the Legislature or the Governor of the State will not seek and/or enact larger dividends or other transfers of Corporation assets by legislative enactment or other means in the future; however, the Transfer Plan, as amended, has been honored to date by all parties thereto.

Litigation

There are no threatened or pending cases in which the Corporation is or may be a defendant which the Corporation feels have merit and which it feels could give rise to materially negative economic consequences.

DESCRIPTION OF THE INDENTURE

Following is a summary of certain provisions of the Indenture. It is not comprehensive. Reference should be made to the full text of the Indenture.

All capitalized terms hereinafter used under this caption have the same meanings as in the Indenture if not otherwise defined herein.

Certain Definitions

“Bondholder” or *“holder”* or words of similar import, when used with reference to a Bond or Bonds, shall mean any person who shall be the bearer of any Outstanding Bond or Bonds registered to bearer or not registered, or the registered owner of any Outstanding Bond or Bonds at the time registered other than to bearer.

“Bond Proceeds Account” shall mean, for any Series, the Bond Proceeds Account established within the Program Obligation Fund for such Series.

“Certificate” shall mean a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined by an authorized officer pursuant to the Indenture; every certificate of the Corporation with respect to compliance with any agreement, condition, covenant or term contained in the Indenture shall include (1) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or term and the definitions in the Indenture relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such person, such person has made or caused to be made such examination or investigation as is necessary to enable such person to express an informed opinion with respect to the subject matter referred to in the instrument to which such person’s signature is affixed; and (4) a statement as to whether, in the opinion of such person, the Corporation has complied with such provision.

“Counsel’s Opinion” shall mean an unqualified opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to state and municipal financing (who may be counsel to the Corporation) selected by the Corporation.

“Credit Enhancement” shall mean a letter of credit, a line of credit, a credit facility, a surety bond, bond insurance, or any other instrument or arrangement obtained in connection with the issuance of a Series of Bonds to further secure the payment of principal and interest of the Bonds of such Series but does not include any Liquidity Facility.

“Credit Enhancement Fund” shall mean a Fund or Account authorized to be created by the Corporation pursuant to a Supplemental Indenture authorizing the issuance of a Series of Bonds for the purposes of holding and disbursing the proceeds of, or holding only, Credit Enhancement securing such Series.

“Debt Service Payment” shall mean any scheduled payment of principal of or interest on Bonds and any payment of the Redemption Price of and accrued interest on any Bonds that are redeemed.

“Debt Service Payment Date” shall mean any date on which any Debt Service Payment shall be due, including any redemption date for any Bonds.

“Eligible Funds” shall mean (1) any Pledged Revenues and Bond proceeds, (2) any moneys or Investment Securities which are not the proceeds of the Bonds and which are at any time on deposit in any Fund other than the Debt Service Account and the OCR Fund and (3) any moneys, Investment Securities or other assets on deposit in the Debt Service Account but excluding any amounts that may be received pursuant to the guaranty of the Bonds by the State of Alaska. Notwithstanding the above, moneys, Investment Securities or other assets that are not (i) Pledged Revenues, (ii) Bonds proceeds or (iii) contributions by the Corporation shall not be “Eligible Funds” until such moneys, Investment Securities or other assets shall have been on deposit hereunder for at least 93 days during which no proceeding by or against the payer of such moneys, Investment Securities or other assets shall have been commenced under the United States Bankruptcy Code or successor statute.

“General Account” shall mean, for any Series, the General Account established within the Redemption Fund for such Series.

“Interest Payment Date” shall mean, for any Series, any date upon which interest on the Bonds of such Series is payable in accordance with their terms and the terms of the Master Indenture or the Supplemental Indenture authorizing the issuance of such Series. “Interest Payment Date” for the 2024 Bonds shall mean December 1, 2024, and on each June 1 and December 1 thereafter.

“Investment Agreement” shall mean a guaranteed investment contract which may be entered into among the Corporation or the Trustee and any corporation (including the Trustee) meeting the requirements established in the Indenture.

“Liquidity Facility” shall mean an agreement or other instrument or arrangement to further secure the payment of the purchase price of any Bonds in connection with a tender of such Bonds pursuant to the terms thereof and the terms of the Supplemental Indenture authorizing the issuance of such Series of Bonds.

“Liquidity Facility Fund” shall mean a Fund or Account authorized to be created by the Trustee pursuant to a Supplemental Indenture authorizing the issuance of a Series of Bonds for the purposes of holding and disbursing the proceeds of, or holding only, a Liquidity Facility relating to such Series.

“Minimum Debt Service Account Requirement” shall mean 2% of the outstanding aggregate principal balance of the Mortgage Loans excluding Mortgage Loans that have been exchanged for Mortgage Certificates.

“Outstanding,” when used with reference to Bonds, shall mean, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Indenture except:

(a) Any Bonds canceled by the Corporation or the Trustee at or prior to such date;

(b) Bonds (or portions of Bonds) for the payment or redemption of which there shall be held in trust hereunder and set aside moneys or Investment Securities that are either direct obligations of the United States or of agencies or instrumentalities thereof that are guaranteed by the United States, the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited at the same time, will be sufficient to pay the principal

or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date (whether at or prior to the maturity or redemption date) and, if such Bonds are to be redeemed, for which notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Indenture; and

(d) Bonds deemed to have been paid as provided in the Indenture.

“Over Collateralization Requirement” shall mean the “OCR” as set forth in the Indenture.

“Pledged Program Obligation” shall mean all Pledged Mortgage Loans and Pledged Mortgage Certificates and all other Program Obligations acquired with amounts disbursed pursuant to the Indenture.

“Pledged Revenues” shall mean (i) all payments of principal of and interest on Pledged Program Obligations immediately upon receipt thereof by the Corporation or any Depository or the Trustee (including payments representing prepayments of Mortgage Loans and any payments received from FNMA pursuant to its guarantee of the FNMA MBSs and from GNMA pursuant to its guarantee of the GNMA Certificates and from FHLMC pursuant to its guarantee of the FHLMC Certificates) and all other net proceeds of such Pledged Program Obligations, and (ii) amounts required to be deposited as Pledged Revenues pursuant to the Indenture.

“Program Expenses” shall mean all the Corporation’s expenses in carrying out and administering the Program and shall include, without limiting the generality of the foregoing, salaries, supplies, utilities, mailing, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus, insurance premiums, legal, accounting, management, consulting and banking services and expenses, the fees and expenses of the Trustee, any Credit Enhancement Agency, any Liquidity Facility Provider, the Depositories and the Paying Agents, Costs of Issuance not paid from proceeds of Bonds, and payments for pension, retirement, health and hospitalization and life and disability insurance benefits, all to the extent properly allocable to the Program.

“Rating Agencies” shall mean any national securities rating service requested by the Corporation to rate the Bonds and which, at the time of consideration, provides a published rating for the Bonds.

“Record Date” shall mean the twentieth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day, for the 2024 Bonds.

“Redemption Price” shall mean, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond or the Indenture or any Supplemental Indenture.

“Series” shall mean all the Bonds authenticated and delivered on original issuance pursuant to a Supplemental Indenture and designated as a Series therein and any Bonds thereafter authenticated and delivered upon the transfer or exchange of or in lieu of or in substitution for (but not to refund) such Bonds as provided in the Indenture, regardless of variations in maturity, interest rate, Sinking Fund Payments, or other provisions. Except as otherwise provided in the 2024 Supplemental Indenture, the 2024 Bonds are a “Series” for the purposes of the definition of such term in the Indenture.

“Sinking Fund Payment” shall mean, as of any particular date of calculation and with respect to the Outstanding Bonds of any Series, the amount required to be paid at all events by the Corporation on a single

future date for the retirement of Bonds of such Series which mature after said future date, but does not include any amount payable by the Corporation by reason only of the maturity of a Bond.

“*Supplemental Indenture*” shall mean an indenture supplemental to or amendatory of the Indenture, adopted by the Corporation and effective as provided in the Indenture.

Guaranty by the State

The following statement in the form set forth below will be on each Bond and constitutes the unconditional guaranty by the State of the payment of the principal and interest on the Bond according to its terms:

The payment of this Bond as to principal and interest according to its terms is hereby unconditionally guaranteed by the State of Alaska. The full faith, credit and resources of the State of Alaska are pledged to the payment of the principal and interest on this Bond, and the principal and interest on this Bond are secured by the general obligation of the State of Alaska.

Revenues

The Corporation will establish a Revenue Fund for the 2024 Bonds. The Revenue Fund will have the following accounts:

Interest Account
Debt Service Account
Capitalized Interest Account
Recycling Account.

The Corporation will establish a Redemption Fund for the 2024 Bonds. The Redemption Fund will have the following accounts:

Principal Account
Operating Account
General Account.

The Trustee will distribute and apply the Pledged Revenues in the following order of priorities:

FIRST, to the Interest Account of the Revenue Fund the amount required, together with other amounts on deposit in the Interest Account, to pay the interest on any Series of Bonds on the next Interest Payment Date or to reimburse any amounts drawn for such purpose under any Credit Enhancement or Liquidity Facility. The Trustee will apply funds in the Interest Account to payment of interest on such Bonds or to make such reimbursement on the due dates.

SECOND, to the Redemption Fund the remaining Pledged Revenues. The Trustee will deposit and apply the funds in the Redemption Fund as follows: to the Principal Account the amount necessary to pay all Principal Installments for each Series of Bonds Outstanding coming due on the next Principal Installment date for each Series; to the Debt Service Account, the amount required, if any, to increase the balance to the Minimum Debt Service Account Requirement; to the Operating Account, the amount required to pay or reimburse the Corporation for the payment of Program Expenses, but in no event may such amount in any semi-annual interest period exceed .055% of the outstanding principal balance of the Program Obligations held in the Program

Obligation Fund as of the date of determination as determined by the Corporation; and to the General Account, together with certain other amounts to be deposited in the General Account pursuant to the Indenture, for application to the special redemption of the Bonds pursuant to the provisions of the Supplemental Indenture authorizing the issuance of such Bonds, except that under certain circumstances the Corporation may direct these amounts to be transferred to the Recycling Account of the Program Obligation Fund.

The Corporation may establish an OCR Fund in order to meet the Over Collateralization Requirement with respect to Mortgage Loans not exchanged for Mortgage Certificates that are to be deposited in the Program Obligation Fund.

If three Business Days preceding any Interest Payment Date the amount on deposit, or to be deposited on such Interest Payment Date, in the Interest Account of the Revenue Fund and the Principal Account and the General Account of the Redemption Fund shall be less than the amount required to pay interest, principal or Sinking Fund Payments on the Bonds of any Series on such Interest Payment Date, any such deficiency shall be immediately satisfied with a transfer of Eligible Funds from the Debt Service Account to the applicable Account, or, if insufficient, by a deposit to the applicable Account of any other funds of the Corporation available therefor, including amounts available in the OCR Fund.

Issuance of Additional Bonds

The Master Indenture authorizes additional bonds to be issued from time to time, subject to the terms, conditions and limitations set forth therein. The additional bonds are to be executed by the Corporation and delivered to the Trustee for authentication and delivery only upon receipt by the Trustee of:

- (a) a Counsel's Opinion to the effect, among other things, that such additional bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State, including the Act as amended to the date of such opinion, and in accordance with the Indenture;
- (b) a written order as to the authentication and delivery of such additional bonds;
- (c) executed counterparts of the Master Indenture;
- (d) an executed original of the Supplemental Indenture authorizing such Series;
- (e) the amount of proceeds of such Series to be deposited in any Fund or Account;
- (f) a Certificate of an Authorized Officer stating that the Corporation is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture;
- (g) a Bond Coverage Certificate;
- (h) written verification from the Rating Agencies that the issuance of such Series of Bonds will not, in and of itself, cause a withdrawal or reduction in the rating assigned by the Rating Agencies to any Outstanding Bonds of any prior Series;
- (i) if such Series of Bonds is to have the benefit of a Liquidity Facility or be secured by Credit Enhancement, the executed Liquidity Facility or Credit Enhancement or evidence that all

conditions precedent to the issuance of such Liquidity Facility or Credit Enhancement have been met as of the date of issuance of such Series of Bonds; and

(j) such further documents and moneys as set forth in the Master Indenture or any Supplemental Indenture.

One or more Series of additional bonds (“Refunding Bonds”) may be issued pursuant to the Master Indenture to refund any Outstanding Bonds. Refunding Bonds may be issued only upon receipt by the Trustee of the documents and moneys, if any, referred to in the preceding paragraph and irrevocable instructions to the Trustee to give any required notices with respect to the refunded Bonds, and upon receipt by the Trustee of either (a) moneys sufficient to effect payment of the Bonds to be refunded, or (b) direct obligations of the United States or of agencies and instrumentalities thereof that are guaranteed by the United States of America the principal of and interest on which when due, together with the moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued), if any, contemporaneously deposited with the Trustee, will be sufficient to pay when due the applicable redemption price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date.

The Trustee will establish a Program Obligation Fund for the 2024 Bonds and a Rebate Fund for the 2024 Bonds, if necessary. The Trustee shall establish within any Account such additional subaccounts for the purposes of such Account as the Corporation shall determine by Supplemental Indenture.

Rebate

The Corporation will establish a Rebate Fund for the 2024 Bonds if necessary to hold moneys required to be rebated to the federal government which shall not be subject to the lien and pledge of the Indenture.

Investments

Except as otherwise provided in the Indenture, all amounts held under the Indenture by the Trustee or any Depository shall be invested continuously and fully in Investment Securities for the benefit of the Corporation and the holders of the Bonds. “Investment Securities” are limited to: (a) direct obligation of or obligations insured or guaranteed by the United States or agencies or instrumentalities of the United States; (b) demand and time deposits in, certificates of deposit of, banker acceptances issued by, or federal funds sold by, any bank or trust company organized under the laws of the United States of America or any state thereof and subject to supervision and examination by federal and/or state banking authorities, or any foreign bank with a branch or agency licensed under the laws of the United States of America or any state thereof or under the laws of a country the Moody’s sovereign rating for bank deposits in respect of which is “Aaa,” so long as at the time of such investment (i) the unsecured debt obligations of such bank or trust company have credit ratings from each Rating Agency at least equal to the then existing ratings of the Bonds; or (ii) the investment matures in six months or less and such bank or trust company has outstanding commercial paper rated “A-1+” by Standard & Poor’s and “P-1” by Moody’s and having comparable ratings from (or otherwise acceptable to) Fitch and from any other Rating Agency and has outstanding debt obligations rated as least “Aa” by Moody’s; (c) repurchase obligations held by the Trustee or a third party acting as agent for the Trustee with a maturity date not in excess of 30 days with respect to (i) any security described in paragraph (a) or (ii) any other security issued or guaranteed by an agency or instrumentality of the United States of America, in either case entered into with the Trustee or any other bank or trust company (acting as principal) that has outstanding commercial paper rated “A-1+” by Standard & Poor’s and “P-1” by Moody’s and having comparable ratings from (or otherwise acceptable to) Fitch and from any other Rating Agency and that has outstanding debt obligations rated at least “Aa2” by Moody’s; (d) securities (other than securities of the types described in the other paragraphs under this

definition of “Investment Securities”) which at the time of such investment have ratings from Standard & Poor’s and Moody’s at least equal to the highest ratings available from Standard & Poor’s and Moody’s for obligations similar to the Bonds and having comparable ratings from (or otherwise acceptable to) Fitch and from any other Rating Agency and which evidence a debt of any corporation incorporated under the laws of the United States of America or any state thereof; provided, however, that such securities issued by any particular corporation will not be Investment Securities to the extent that investment therein will cause the then outstanding principal amount of securities issued by such corporation and held under the Indenture to exceed 10% of the aggregate outstanding principal balances and amounts of all Mortgage Loans and Investment Securities held under the Indenture; (e) commercial paper with a maturity date not in excess of 270 days rated “A-1+” by Standard & Poor’s and “P-1” by Moody’s and having comparable ratings from (or otherwise acceptable to) Fitch and from any other Rating Agency at the time of such investment, issued by an entity incorporated under the laws of the United States or any state thereof or under the laws of a country the Moody’s sovereign rating for bank deposits in respect of which is “Aa”; provided, however, that at the time of such investment the issuer of such commercial paper shall also have outstanding debt obligations rated at least “Aa2” by Moody’s; (f) an Investment Agreement; (g) money market funds rated “AAAm” or “AAAm-G” by Standard & Poor’s and “Aaa-mf” by Moody’s and having comparable ratings from (or otherwise acceptable to) any other Rating Agency then rating that fund; and (h) any other investment that is of Rating Quality and that is not unacceptable to the Trustee upon written direction to the Issuer.

Powers of Amendment

A Supplemental Indenture may be adopted at any time or from time to time, without the consent of any holder of the Bonds, upon filing with the Trustee, in order to: (a) close the Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Indenture on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness; (b) add other covenants and agreements to be observed by the Corporation not contrary to or inconsistent with the Indenture; (c) add to the limitations and restrictions in the Indenture other limitations and restrictions to be observed by the Corporation which are not inconsistent with the Indenture; (d) surrender any right, power or privilege of the Corporation, by the terms of the Indenture, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Corporation contained in the Indenture; (e) authorize bonds of a Series and, in connection therewith (i) to specify and determine certain matters and things referred to as being matters or things to be determined or specified in a Supplemental Indenture authorizing a Series of Bonds and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Indenture as theretofore in effect, (ii) to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds, or (iii) to add such provisions to the Indenture and, if necessary, amend the provisions of the Indenture as may be necessary to permit and provide for the issuance of such Bonds as bearer Bonds; (f) confirm any pledge under, or the subjection to any lien or pledge created by, the Indenture; (g) modify any of the provisions of the Indenture in any respect whatsoever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding, and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the effective date of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof; and (h) to make such additions, deletions or modifications as may be necessary to assure compliance with the Code or to obtain a satisfactory rating on a Series of Bonds from a Rating Agency, provided that no such additions, deletions or modifications intended to obtain a satisfactory rating shall cause a reduction in any ratings assigned by a Rating Agency to Bonds then Outstanding. A Supplemental Indenture may also be adopted at any time or from time to time, without the consent of Bondholders, upon filing with the Trustee and upon consent of the Trustee to: (a) cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision; (b) insert such

provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture as theretofore in effect; (c) provide for additional duties of the Trustee in connection with the Mortgage Loans and Mortgage Certificates; or (d) make any other changes not materially adverse to the interests of the Bondholders.

Any modification or amendment of any provision of the Indenture or of the rights and obligations of the Corporation and of the holders of the Bonds may be made by a Supplemental Indenture, with the written consent given as provided in the Indenture (i) of the holders of at least two-thirds in principal amount of the Bonds Outstanding, (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the holders of at least two-thirds in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, and (iii) in case the modification or amendment changes the terms of any Sinking Fund Payment, of the holders of at least two-thirds in principal amount of the bonds of the particular Series and maturity entitled to such Sinking Fund Payment and Outstanding at the time such consent is given; except that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the Indenture. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest rate thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For these purposes, a Series shall be deemed to be affected by a modification or amendment of the Indenture if the same adversely affects or diminishes the rights of the holders of Bonds of such Series. The Trustee may in its discretion determine whether, in accordance with the foregoing powers of amendment, Bonds of any particular Series or maturity would be affected by any modification or amendment hereof and any such determination shall be binding and conclusive on the Corporation and all holders of Bonds.

Events of Default

Each of the following events is an “Event of Default”: (a) the Corporation defaults in the payment of the principal (including Sinking Fund Payments) or Redemption Price, if any, of any Bond within two Business Days after the same becomes due, whether at maturity or upon call for redemption or otherwise; (b) payment of any installment of interest on any of the Bonds is not made within two Business Days after the same becomes due; (c) the Corporation fails or refuses to comply with the provisions of the Indenture or defaults in the performance or observance of any of the covenants, agreements or conditions contained therein or in any Supplemental Indenture or the Bonds, and such failure, refusal or default continues for a period of 45 days after written notice thereof by the Trustee or the holders of not less than 25% in principal amount of the Outstanding Bonds; or (d) any Event of Default as designated by a Supplemental Indenture occurs and remains uncured.

Remedies

Upon the happening and continuance of any Event of Default specified in clause (a) or (b) above, the Trustee will proceed, or upon the happening and continuance of any Event of Default specified in clause (c) or (d) above, the Trustee may proceed, and upon the written request of the holders of not less than 25% in principal amount of the Outstanding Bonds, subject to certain provisions relating to the Trustee (except that, with respect to an Event of Default specified in clause (c) or (d) above, the provisions of the Supplemental Indenture to which such Event of Default relates may direct the Trustee to so proceed without regard to Bondholder request or to proceed or not proceed upon the occurrence of other conditions set forth

in such Supplemental Indenture), will proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders by such of the following remedies as the Trustee, being advised by counsel, will deem most effectual to protect and enforce such rights: (a) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bondholders, including the right to require the Corporation to receive and collect revenues and assets adequate to carry out the covenants and agreements as to, and pledge of, such revenues and assets, and to require the Corporation to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act; (b) by bringing suit upon the Bonds; (c) by action or suit in equity, require the Corporation to account as if it were the trustee of an express trust for the holders of the Bonds; (d) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds; or (e) by taking possession of and retaining the Program Obligations for the benefit of Bondholders.

Trustee

U.S. Bank Trust Company, National Association is appointed as the Trustee. The Trustee shall be removed by the Corporation if at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the Corporation, and signed by the holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Corporation. Except during the existence of an Event of Default by the Corporation, the Corporation may remove the Trustee at any time for such cause as shall be determined by the Corporation. Any successor to the Trustee is required to be a trust company or bank having the powers of a trust company within or outside the State of Alaska and having capital and surplus aggregating at least \$25,000,000. The Corporation will pay to the Trustee reasonable compensation for all services rendered.

Defeasance

If the Corporation pays or causes to be paid to the holders of the Bonds the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Indenture, then the pledge of any revenues and assets thereby pledged and all other rights granted thereby will be discharged and satisfied.

Bonds or interest installments for the payment or redemption of which moneys have been set aside and held in trust by fiduciaries (through deposit by the Corporation of funds for such payment or redemption or otherwise), at the maturity or redemption date thereof, will be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. All Outstanding Bonds will, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Corporation gives to the Trustee in form satisfactory to it irrevocable instructions to provide notice of redemption of the Bonds, (b) there has been deposited with the Trustee either moneys in an amount which are sufficient, or Investment Securities which are direct obligations of the United States or of agencies or instrumentalities thereof that are guaranteed by the United States the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, will be sufficient, to pay when due the principal or redemption price, if any, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event the Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Corporation gives the Trustee in form satisfactory to it irrevocable instructions to mail a notice to the holders of such Bonds stating that the deposit required by (b) above has been made with the Trustee and that the Bonds are deemed to have been paid in accordance with the Indenture and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if any, of the Bonds. Neither the Investment Securities nor the moneys so deposited with the Trustee nor principal or interest payments on any such Investment

Securities will be withdrawn or used for any purpose other than, and will be held in trust for, the payment of the principal or Redemption Price, if any, of and interest on the bonds, but any cash received from such principal or interest payments on such obligations deposited with the Trustee, if not then needed for such purpose, will, be reinvested to the extent practicable in those Investment Securities described above maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if any, and interest to become due on the bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments will be paid over to the Corporation, as received by the Trustee, free and clear of any trust, lien or pledge.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, to be delivered on the date of issuance of the 2024 Bonds, assuming compliance with certain covenants which are designed to meet the requirements of the Code, under existing laws, regulations, rulings and judicial decisions, interest on the 2024 Bonds (i) is excluded from gross income for federal income tax purposes and (ii) is not a specific preference item for purposes of the alternative minimum tax provisions imposed on individuals by the Code. Interest on the 2024 Bonds may affect the federal alternative minimum tax imposed on certain corporations.

In the opinion of Bond Counsel, interest on the 2024 Bonds is free from taxation by the State under existing law (except that no opinion is expressed as to such exemption from State estate and inheritance taxes and taxes of transfers by or in anticipation of death).

General

The requirements of applicable federal tax law must be satisfied with respect to the 2024 Bonds in order that interest on such Bonds not be included in gross income for federal income tax purposes retroactive to the date of issuance thereof. The Code provides that interest on obligations of a governmental unit such as the Corporation issued to finance, or to refund bonds issued to finance, single family residences for qualified veterans (such as the 2024 Bonds) is not included in gross income for federal income tax purposes only if certain requirements are met with respect to the terms, amount and purpose of the obligations and the use of the funds generated by the issuance of the obligations, the nature of the residences and the mortgages, and the eligibility of the borrowers executing the mortgages.

Loan Eligibility Requirements Imposed by the Code

The Code contains the following loan eligibility requirements that are applicable to Mortgage Loans financed with proceeds attributable to the 2024 Bonds in order that interest on the 2024 Bonds not be included in gross income for federal income tax purposes retroactive to the date of issuance thereof.

Qualifying Veterans and Residence Requirement. The Code requires that 95% of the net proceeds of the 2024 Bonds be used to provide residences for qualified veterans. In addition, the Code requires that each of the premises financed with proceeds of qualified veterans' mortgage bonds be a residence located within the jurisdiction of the issuer which can reasonably be expected to become the principal residence of the mortgagor within a reasonable time after the financing is provided. Certain documents adopted by the Corporation that establish procedures to be followed in connection with the financing of Mortgage Loans with amounts attributable to the 2024 Bonds in order to assure that interest paid on the 2024 Bonds not be included in gross income for federal income tax purposes under the Code (the "Program Documents") require each mortgagor to submit an affidavit stating such person's intention to occupy the premises as his principal residence within 60 days after closing of the Mortgage Loan.

New Mortgage Requirement. The Code requires that, with certain limited exceptions, the lendable proceeds of qualified veterans' mortgage bonds finance new mortgage loans only and that no proceeds may be used to acquire or replace an existing mortgage loan, which would include the refinancing of a pre-existing mortgage loan. The Corporation will verify compliance with the new mortgage requirement by requiring each mortgagor and the seller of the residence to certify, subject to such exceptions, that no refinancing of a prior mortgage loan is being effected.

Good Faith Efforts To Comply With Mortgage Eligibility Requirements. An issue of bonds is treated as meeting the loan eligibility requirements of the Code if (i) the issuer in good faith attempted to meet all the loan eligibility requirements before the mortgage loans were executed, (ii) any failure to comply with the loan eligibility requirements is corrected within a reasonable period after such failure is first discovered, and (iii) 95% or more of the proceeds of the issue used to make mortgage loans was used to finance residences that met all such requirements at the time the mortgage loans were executed. In determining whether 95% or more of the proceeds has been so used, the Code permits the Corporation to rely on certain documentation provided by the mortgagor and the seller even though the relevant information in such documentation should ultimately prove to be untrue, unless the Corporation or the Mortgage Lender knows or has reason to believe that such information is false.

Other Requirements Imposed by the Code

General. The Code provides that gross income for federal income tax purposes does not include interest on a mortgage revenue bond if it is a qualified veterans' mortgage bond. A qualified veterans' mortgage bond is a part of an issue of a state or political subdivision 95% of the proceeds of which (net of amounts applied to fund a reasonably required reserve) are used to finance, or to refund bonds issued to finance, owner-occupied residences and that meets certain (i) general requirements, (ii) arbitrage restrictions on the use and investment of proceeds of the issue, and (iii) loan eligibility requirements set forth in the Code and as more fully described above under "Tax Matters — Loan Eligibility Requirements Imposed by the Code."

The first general requirement of the Code applicable to the Corporation's Program for qualified veterans' mortgage bonds is that the aggregate amount of such bonds that may be issued by the Corporation in any calendar year must not exceed the limit set forth in the Code, which is \$100,000,000 for the State of Alaska. The 2024 Bonds are within the applicable limit for the Corporation.

The Code requires the issuer of qualified veterans' mortgage bonds to file with the Internal Revenue Service reports on the issuance of its qualified veterans' mortgage bonds following such issuance, as well as an annual qualified veterans' mortgage loan information report. The Corporation has covenanted to file, as required, such reports with respect to the mortgage loans financed by the 2024 Bonds.

The Code requires that the effective interest rate on mortgage loans financed with the lendable proceeds of qualified veterans' mortgage bonds (such as the 2024 Bonds) may not exceed the yield on the composite issue of 2024 Bonds by more than 1.125 percentage points. With respect to the 2024 Bonds, the Code requires that certain investment earnings on non-mortgage investments, calculated based upon the extent such investment earnings exceed the amount that would have been earned on such investments if the investments were invested at a yield equal to the yield on the issue, be rebated to the United States or credited to mortgagors. The Corporation has covenanted to comply with these requirements and has established procedures to determine the amount of excess earnings, if any, that must be rebated to the United States or credited to mortgagors.

Compliance

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2024 Bonds, including compliance with restrictions on the yield of mortgage loans and non-mortgage investments and periodic rebate payments to the federal government, as well as restrictions on the type of Mortgage Loans financed. The Corporation will deliver concurrently with the delivery the 2024 Bonds, a Tax Regulatory Agreement and No Arbitrage Certificate which contains provisions and procedures relating to compliance with such requirements of the Code, and the Corporation has included provisions in the Program Documents that establish procedures, including receipt of certain affidavits and warranties from Mortgage Lenders and mortgagors, in order to assure compliance with the loan eligibility requirements and other requirements that must be satisfied subsequent to the date of issuance of the 2024 Bonds. The Corporation also has covenanted in the Indenture to do and perform all acts and things permitted by law and necessary or desirable to assure that interest paid on the 2024 Bonds shall not be included in gross income for federal income tax purposes and, for such purpose, to adopt and maintain appropriate procedures. Failure to comply with these covenants may result in interest on the 2024 Bonds being included in gross income for federal income tax purposes from their date of issuance. The opinion of Bond Counsel assume the Corporation is in compliance with these covenants. Bond Counsel is not aware of any reason why the Corporation cannot or will not be in compliance with such covenants. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the 2024 Bonds may affect the tax status of interest on the 2024 Bonds.

Original Issue Discount

Bonds sold at an initial public offering price that is less than the stated amount to be paid at maturity constitute “Discount Bonds.” The difference between the initial public offering prices of any such Discount Bond and the stated amount to be paid at maturity constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes to the same extent as interest on such Bond.

The amount of original issue discount which is treated as having accrued with respect to such Discount Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such Discount Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period and properly adjusted for the length of the accrual period) and (ii) the amount which would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond.

Original Issue Premium

2024 Bonds sold at an initial public offering price that is greater than the stated amount to be paid at maturity constitute “Premium Bonds.” An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of Premium Bonds should consult with their tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding

An owner of a Series 2024 Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Series 2024 Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner’s taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other “reportable payments” (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Certain Additional Federal Tax Consequences

The foregoing is a brief discussion of certain federal and state income tax matters with respect to the 2024 Bonds under existing statutes. It does not purport to deal with all aspects of federal or state taxation that may be relevant to a particular owner of 2024 Bonds. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the 2024 Bonds.

Although Bond Counsel will render an opinion that interest on the 2024 Bonds will be excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the 2024 Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient’s particular tax status or other items of income or deduction. Bond Counsel express no opinion regarding any such consequences. Purchasers of the 2024 Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions or recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise entitled to claim the earned income credit and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, are advised to consult their tax advisors as to the tax consequences of purchasing, holding or selling the 2024 Bonds.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the 2024 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the 2024 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the 2024 Bonds or the market value thereof would be impacted thereby. Purchasers of the 2024 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 2024 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2024 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2024 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2024 BONDS.

CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the 2024 Bond purchasers in complying with Section (b)(5) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 as the same may be amended from time to time (the “Rule”), the Corporation and the State will enter into separate written agreements (collectively, the “Agreement”) for the benefit of the holders of the 2024 Bonds to provide continuing disclosure, which are anticipated to be in substantially the forms set forth in Appendix D hereto. The State and the Corporation will undertake to provide the Municipal Securities Rulemaking Board (the “MSRB”) on an annual basis commencing on January 31, 2025, for the State and on or before 180 days after the end of each fiscal year for the Corporation, commencing the fiscal year ending June 30, 2024, the financial and operating data concerning the State and the Corporation outlined in the Agreement. In addition, the State and the Corporation will undertake, for the benefit of the beneficial owners and holders of the 2024 Bonds, to provide to the MSRB, in a timely manner, the notices described in the Agreement.

The sole and exclusive remedy for breach or default under the Agreement to provide continuing disclosure described above is an action to compel specific performance of the undertakings of the State and/or the Corporation, and no person, including a holder of the 2024 Bonds, may recover monetary damages thereunder under any circumstances. A breach or default under the Agreement shall not constitute an Event of Default under the Indenture. In addition, if all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under the Agreement, insofar as the provision of the Rule no longer in effect required the provision of such information, will no longer be required to be provided.

The foregoing undertakings are intended to set forth a general description of the type of financial information and operating data that will be provided; and where an undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. As a result, the parties to the Agreement do not anticipate that it often will be necessary to amend the informational undertakings. The Agreement, however, may be amended or modified under certain circumstances set forth therein. Copies of the Agreement are attached hereto as Appendix D.

RATINGS

The 2024 Bonds have been initially rated [“AAA”] by S&P and [“Aaa”] by Moody’s. The ratings of “AAA” and “Aaa” are the highest ratings that S&P and Moody’s, respectively, assign to bonds. A security rating is not a recommendation to buy, sell, or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization. Any further explanation of the significance of these ratings should be obtained directly from the appropriate rating agency.

FINANCIAL STATEMENTS

The unaudited financial statements of the Corporation as of and for the six months ended [December 31, 2023], included in Appendix B to this Official Statement, appear without review or audit by an independent accountant.

The Corporation’s financial statements as of and for the year ended June 30, 2023, included in Appendix B to this Official Statement, have been audited by Eide Bailly LLP, independent auditors, as stated in their report appearing herein.

Copies of the Corporation’s annual financial statements as of and for the year ended June 30, 2023, the unaudited financial statements of the Corporation as of and for the six months ended [December 31, 2023], and the Corporation’s current annual report will be mailed to any Beneficial Owner who shall have filed his name and address with the Corporation for such purpose.

LITIGATION

There is no controversy or litigation of any material nature now pending or threatened to restrain or enjoin the issuance, sale, execution, authentication, or delivery of the 2024 Bonds, or in any way contesting or affecting the validity of such 2024 Bonds or any proceedings of the Corporation taken with respect to the issuance or sale thereof, the pledge or application of any moneys or security provided for the payment of such 2024 Bonds, or the existence or powers of the Corporation.

LEGAL MATTERS

All legal matters incident to the authorization, sale and delivery of the 2024 Bonds and certain federal and state tax matters are subject to the approval of Kutak Rock LLP, Bond Counsel to the Corporation.

LEGALITY FOR INVESTMENT

Subject to any applicable federal requirements or limitations, the 2024 Bonds are eligible for investment by all public officers and public bodies of Alaska and its political subdivisions, and, to the extent controlled by Alaska law, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them, in the 2024 Bonds.

FINANCIAL ADVISOR

Masterson Advisors LLC (“Masterson”) is employed as Financial Advisor to the Corporation in connection with the issuance of the 2024 Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the 2024 Bonds is contingent upon the issuance and delivery of the 2024 Bonds. Masterson, in its capacity as Financial Advisor, does not assume any responsibility for the information,

covenants and representations contained in any of the legal documents with respect to the federal income tax status of the 2024 Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the Corporation has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Corporation and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

FORWARD-LOOKING STATEMENTS

The following statements are made as contemplated by the provisions of the Private Securities Litigation Reform Act of 1995: If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes” and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties include, among others, general economic and business conditions relating to the Corporation and the housing industry in general, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Corporation. These forward-looking statements speak only as of the date of this Official Statement. The Corporation disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Corporation’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

ADDITIONAL INFORMATION

All quotations from and summaries and explanations of the Act and the Indenture contained herein do not purport to be complete, and reference is made to the Act and the Indenture for full and complete statements of their provisions. The Appendices attached hereto are a part of this Official Statement. Copies, in reasonable quantity, of the Act and the Indenture (the 2024 Supplemental Indenture, in preliminary form, and the Master Indenture) may be obtained during the offering period upon request directed to the Corporation, Post Office Box 101020, Anchorage, Alaska 99510, or to the Financial Advisor, Masterson Advisors LLC, 2310 Tradition Way, Unit 201, Naples, Florida 34105.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Corporation and the owner of any 2024 Bond.

APPENDIX A

INFORMATION CONCERNING THE STATE OF ALASKA

The information concerning the State of Alaska (“Alaska” or the “State”) set forth in this Appendix is dated as of the date of the Official Statement. The information contained herein is subject in all respects to the complete text of the financial reports referenced. The information contained herein has been obtained from sources that the State believes to be reliable but is not guaranteed as to accuracy.

General

Alaska is a sovereign state of the United States of America, located in the far northwest of North America to the west of Canada, with its southeastern border approximately 500 miles north of the State of Washington. Alaska became a state in 1959. The State’s population grew each year and increased approximately 8.2 percent between fiscal year 2008 and fiscal year 2016; however, since 2016 the population has contracted by approximately 0.8 percent with a population estimate of 736,812 (2023 estimate, Alaska Department of Labor and Workforce Development, Research & Analysis Section). The State’s fiscal year is July 1 to June 30.

Alaska includes approximately 586,412 square miles (approximately 365 million acres) of land and is the largest state of the United States (roughly equivalent in size to one-fifth of all of the other 49 states combined). Unlike the other 49 states, where significant portions of the land may be owned by individuals or entities in the private sector, less than one percent of the land in Alaska is owned by private, non-Alaska Native owners. As described below, most of the State’s revenue is derived from resources owned by the State itself, including petroleum and minerals extracted from State-owned lands and investment income on securities in funds owned by the State.

State Government

Alaska became the 49th state in 1959 pursuant to the Alaska Statehood Act, which was enacted by the United States Congress in 1958 (the “Statehood Act”). The Alaska Constitution was adopted by the Constitutional Convention on February 5, 1956, ratified by the people of Alaska on April 24, 1956, and became operative with the formal proclamation of statehood on January 3, 1959.

Alaska government has three branches: legislative, executive, and judicial. The legislative power of the State is vested in a legislature consisting of a Senate with a membership of 20 and a House of Representatives with a membership of 40 (the “Legislature”). The executive power of the State is vested in the Governor. The judicial power of the State is vested in a supreme court, a superior court, and the courts established by the Legislature. The jurisdiction of courts and judicial districts is prescribed by law. The courts constitute a unified judicial system for operation and administration.

The State provides or funds a range of services including education, health and human services, transportation, law enforcement, judicial, public safety, community and economic development, public improvements, and general administrative services.

There are 19 organized boroughs in Alaska and 145 cities, 49 of which are located within an organized borough and 96 of which are located within the unorganized borough. Of these, 15 boroughs and 21 cities impose property taxes and 9 boroughs and 94 cities impose general sales taxes.

State Revenues

The State does not currently impose personal income taxes and has never imposed statewide general sales taxes. The State does, however, impose a number of business-related taxes that, together with rents and royalties and fines and fees, represented nearly 100 percent of designated and unrestricted non-investment General Fund revenue in fiscal year 2023. Grants, contributions, and other revenue from the federal government and interest and investment income represent the remaining portions of State revenue.

The key drivers of the Alaska economy include natural resource development, federal (including national defense) and State government, seafood, and tourism. Approximately 24.0 percent of the State's total nonfarm employment is derived from government (including federal, state, and local). Other major industries in Alaska include the educational (private) and health services industry, making up 15.7 percent, trade, transportation, and utilities, making up 20.0 percent and the leisure and hospitality industry, making up 10.9 percent of total nonfarm employment. The State's unemployment rate in January 2024 was 5.2 percent (not seasonally adjusted), according to the U.S. Department of Labor, Bureau of Labor Statistics. The State's major exports are oil, seafood (primarily salmon, halibut, cod, pollock, and crab), coal, gold, silver, zinc, and other minerals (Alaska Department of Labor and Workforce Development, Research & Analysis, Preliminary and adjusted estimates; 2023 Annual Average).

The Department of Revenue – Tax Division (the “Tax Division”) produces a semi-annual revenue sources book. The revenue sources book published each fall is the comprehensive annual forecast released in December, and the revenue forecast published in the spring is an annual, partial update of the revenue sources book published in the preceding fall. The most recent revenue forecast comes from the Spring 2024 Revenue Sources Book and Forecast, released by the Tax Division on March 13, 2024 (the “Spring 2024 Revenue Forecast”). The next forecast update, the Fall 2024 Revenue Sources Book and Forecast (the “Fall 2024 Revenue Forecast”), is anticipated to be released in December 2024.

The Spring 2024 Revenue Forecast reflects a modest increase in expected unrestricted General Fund revenue, for fiscal year (“FY”) 2024 and FY 2025, compared to the Fall 2023 Revenue Sources Book and Forecast, released by the Tax Division on December 14, 2023. The modest increases contained in the forecast are largely a function of the Alaska North Slope (“ANS”) oil price forecast increasing by \$1.69 and \$2.00 per barrel for FY 2024 and FY 2025, respectively. Additionally, the ANS oil production forecast has been decreased by 2,800 and increased by 13,100 barrels per day for FY 2024 and FY 2025, respectively. The Spring 2024 Revenue Forecast for federal revenue is based on the most recent available information as of March 1, 2024, and includes estimates of potential revenue from the Infrastructure Investment and Jobs Act (“IIJA”).

The CARES Act, passed by the 116th U.S. Congress in March 2020, established a \$150 billion Coronavirus Relief Fund to, among other things, provide financial assistance to states. The State has received its approximately \$1.25 billion allocation from the Coronavirus Relief Fund, which can be used to cover COVID-19 related expenses. The CARES Act limits the State's use of funds from the Coronavirus Relief Fund to COVID-19 expense reimbursement rather than to offset anticipated state tax revenue losses. A unique provision specific to just over \$1 billion of the federal relief funds allowed the State to appropriate a portion of the funding to replace revenue lost due to COVID-19. This provision functionally allowed these funds to be appropriated toward any public purpose, just like unrestricted General Fund revenue. In the fiscal year 2022 and fiscal year 2023 budgets, a total of approximately \$750 million was appropriated as unrestricted revenue replacement, and in some reports produced by the State's Office of Management and Budget (“OMB”) and Legislative Finance Division, these funds are depicted as unrestricted revenue for illustrative purposes. However, in the Fall 2022 Revenue Forecast, all federal funds are shown as restricted revenue in all years.

The IIJA, passed by Congress in November 2021, included \$550 billion in new investments for transportation, water, power and energy, environmental remediation, broadband and cybersecurity, carbon reduction, and resilience. The legislation targets disadvantaged communities, of which most of Alaska is designated. It was originally estimated that State, local governments, tribes, and other organizations in the State could receive a total of nearly \$5 billion in funding over fiscal years 2023-2027 as a result of the legislation, some of which would represent overall increases to state revenue from federal funding. However, as of November 30, 2023, the total state revenue, including overall increases and discretionary grants, is \$5.4 billion. These include \$1 billion for a new Broadband Equity, Access, and Deployment Program; \$136 million for the Clean Water State Revolving and Drinking Water State Revolving Funds; and \$53 million for the Alaska Energy Authority's State Energy Program, Energy Efficiency and Revolving Loan Fund, Energy Efficiency and Conservation, and Weatherization Assistance Program. The Department of Transportation & Public Facilities also received \$165 million for airport terminal upgrades and increased airport safety, and \$239 million for ferry service for rural communities.

The State also received funding for the Carbon Reduction Program, Restoring Fish Passage Program, Abandoned Mine Reclamation Fund, Port Infrastructure Development Program, Emerging Contaminants in Small or Disadvantaged Communities Grant Program, and Community Wildfire Defense Grant Program. The State, local governments, tribes, and other entities are regularly partnering on applications for discretionary IIJA funding grants. Award announcements are made on a rolling basis. There can be no assurance that federal revenues available to the State will not decrease and is subject to amendment or repeal.

Historic information in this Official Statement about the finances and operations of the State, that predates the outbreak of COVID-19 should be considered in light of the possible or probable negative effects the COVID-19 outbreak may have on the current and future finances and operations thereof. The Spring 2024 Revenue Forecast and any other budget, outlook, and projection information and all other forward-looking statements in this Official Statement are based on current expectations and are not intended as representations of fact or guarantees of results. Any such forward-looking statements are inherently subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated, or projected.

Historically, petroleum-related revenue has been the largest source of unrestricted revenue for the General Fund. In fiscal year 2018 approximately 80 percent of total unrestricted General Fund revenue was generated from oil production. In 2018, the Legislature enacted Senate Bill 26 ("SB 26"), which directs the State to appropriate amounts from the earnings reserve of the Alaska Permanent Fund to the General Fund as unrestricted General Fund revenue, diminishing the percentage of unrestricted General Fund revenue that petroleum-related revenue represents to approximately 38 percent in fiscal year 2019, 24 percent in fiscal year 2020, 25 percent in fiscal year 2021, 50 percent in fiscal year 2022, and 44 percent in fiscal year 2023. In the Spring 2024 Revenue Forecast, the State forecasts the percentage of unrestricted General Fund revenue that petroleum-related revenue represents to be approximately 37 percent in fiscal year 2024 and 34 percent in fiscal year 2025.

In fiscal year 2019, pursuant to SB 26, the State began appropriating amounts from the Permanent Fund Earnings Reserve to the General Fund as unrestricted General Fund revenue. SB 26 adjusted the transfers from the Permanent Fund Earnings Reserve to an amount determined by taking 5.25 percent of the average market value of the Permanent Fund for the first five of the preceding six fiscal years, including the fiscal year just ended. Effective July 1, 2021, the amount determined for transfers from the Permanent Fund Earnings Reserve was reduced to 5.00 percent of the average market value of the Permanent Fund for the first five of the preceding six fiscal years, including the fiscal year just ended. As described below in "Government Funds – The Alaska Permanent Fund," this calculation does not include the principal attributable to the settlement of State v. Amerada Hess. The Alaska Permanent Fund Corporation

“APFC”), which manages the Permanent Fund, projects these annual transfers to the General Fund as unrestricted revenue in their unaudited monthly history and projections report, as reflected in Table 2. The Permanent Fund Earnings Reserve transferred approximately \$3.4 billion to General Fund revenue in fiscal year 2023 and is expected to transfer approximately \$3.5 billion and \$3.7 billion to General Revenue in fiscal years 2024 and 2025, respectively. The Permanent Fund Dividend may be paid out of these transfers, and any residual revenue is available for other appropriation. The Permanent Fund Dividend amount, paid in calendar year 2022, was \$3,284 per qualified resident, and the Permanent Fund Dividend amount, paid in calendar year 2023, was \$1,312 per qualified resident.

The Alaska Permanent Fund was established by a voter-approved constitutional amendment that took effect in February 1977. Pursuant to legislation enacted in 1982, annual appropriations are made from the Permanent Fund Earnings Reserve, first for dividends to qualified Alaska residents and then for inflation-proofing. The principal portion of the Permanent Fund, which was approximately \$68.7 billion as of February 29, 2024, unaudited, may not be spent without amending the State Constitution. The earnings reserve, approximately \$9.3 billion as of February 29, 2024, unaudited (subsequent to June 30, 2023, this amount includes approximately \$3.7 billion committed to the State’s General Fund pursuant to SB 26 for the succeeding fiscal year, and an estimated \$1.4 billion for current fiscal year inflation proofing), may be appropriated by a majority vote of the Legislature. See “– Government Funds – The Alaska Permanent Fund” below.

In the Spring 2024 Revenue Forecast, the State forecasted general purpose unrestricted revenue to be approximately \$6,543.9 million in fiscal year 2024 and \$6,448.5 million in fiscal year 2025, compared to \$6,939.2 million in fiscal year 2022 and \$7,050.0 million in fiscal year 2023.

In the Spring 2024 Revenue Forecast, the State forecasts that Alaska North Slope (“ANS”) oil prices will average \$84.08 in fiscal year 2024 and \$78.00 in fiscal year 2025, compared to actual prices averaging \$86.63 in fiscal year 2023, \$91.41 in fiscal year 2022 and \$54.14 in fiscal year 2021. The State forecasts that ANS production will average approximately 467.6 thousand barrels of oil per day in fiscal year 2024 and 476.8 thousand barrels of oil per day in fiscal year 2025, compared to 479.4 thousand barrels of oil per day in fiscal year 2023, 476.5 thousand barrels of oil per day in fiscal year 2022 and 486.1 thousand barrels of oil per day in fiscal year 2021. In the Spring 2024 Revenue Forecast, the State forecasts ANS oil prices and production and general purpose unrestricted revenue through fiscal year 2034. See Table 4.

Oil and Gas Revenues. The State’s unrestricted General Fund revenues have historically been generated primarily from petroleum production activities. The State receives petroleum revenues (some of which are restricted) from five sources: oil and gas property taxes, oil and gas production taxes, bonuses and rents, oil and gas royalties, and corporate income taxes.

Oil and Gas Property Tax. The State levies an oil and gas property tax on the value of taxable oil and gas exploration, production and pipeline transportation property in the State at a rate of 20 mills (two percent) of the assessed value of the property. This is the only centrally assessed statewide property tax program in Alaska. Oil and gas reserves, oil or gas leases, the rights to explore or produce oil or gas, and intangible drilling expenses are not considered taxable property under the statute. The most notable properties that are subject to this tax are the Trans-Alaska Pipeline System, including the terminal at Valdez (“TAPS”) and the field production systems at Prudhoe Bay. The assessed value of all existing properties subject to this tax was approximately \$30.4 billion as of January 1, 2023, \$28.6 billion as of January 1, 2022, \$28.2 billion as of January 1, 2021, and \$29.0 billion as of January 1, 2020.

Property taxes on exploration property are based upon estimated market value of the property. For property taxes on production property, values are based upon replacement cost, less depreciation based on

the economic life of the proven reserves (or the economic limit in the case of taxes on offshore platforms or onshore facilities). The amount collected from property taxes on existing production property is expected to decrease in the future. For property taxes on pipeline transportation property (primarily TAPS property), values are determined based upon the economic value, taking into account the estimated life of the proven reserves of gas or unrefined oil expected to be transported by the pipeline and replacement cost, less depreciation based on the economic life of the reserves.

When the oil and gas property is located within the jurisdiction of a municipality, the municipality may also levy a tax on the property at the same rate the municipality taxes all other non-oil and gas property. The tax paid to a municipality on oil and gas property acts as a credit toward the payment to the State. Of the \$608.9 million of gross tax levied in fiscal year 2023 on oil and gas property in the State, the State's share was approximately \$128.8 million. In the Spring 2024 Revenue Forecast, the State forecasts income from the oil and gas property tax to be approximately \$133.3 million in fiscal year 2024 and \$133.2 million in fiscal year 2025.

Revenue from oil and gas property taxes is deposited in the General Fund; however, the State Constitution requires that settlement payments received by the State after a property tax assessment dispute be deposited in the Constitutional Budget Reserve Fund (the "CBRF"). In fiscal years 2022 and 2023, \$21.1 million and \$196.0 million, respectively, in total settlements were deposited into the CBRF, and in the Spring 2024 Revenue Forecast, the State forecasts settlements to be \$10.0 million in fiscal year 2024 and \$20.0 million in fiscal year 2025. See "– Government Funds – The Constitutional Budget Reserve Fund" below.

Oil and Gas Production Taxes. The State levies a tax on oil and gas production income generated from production activities in the State. The tax on production is levied on sales of all onshore oil and gas production, except for federal and State royalty shares and on offshore developments within three miles of shore.

The oil and gas production tax can be a significant source of revenue and in many past years has been the State's single largest source of revenue. The production tax is levied differently based upon the type of production (oil versus gas) and the geographical location (North Slope versus Cook Inlet, the State's two producing petroleum basins).

For North Slope oil and export gas, the tax uses the concept of "Production Tax Value" ("PTV"), which is the gross value at the point of production minus lease expenditures. PTV is similar in concept to net profit, but different in that all lease expenditures can be deducted in the year incurred; that is, capital expenditures are not subject to a depreciation schedule. The production tax rate is 35 percent of PTV with an alternative minimum tax of 0 percent to 4 percent of gross value, with the 4 percent minimum tax applying when average ANS oil prices for the year exceed \$25 per barrel.

Several tax credits and other mechanisms are available for North Slope oil production to provide incentives for additional investment. A per-taxable-barrel credit is available, which is reduced progressively from \$8 per barrel to \$0 per barrel as wellhead value increases from \$80 per barrel to \$150 per barrel. A company that chooses to take this credit may not use any other credits to reduce tax paid to below the gross minimum tax. An additional incentive applies for qualifying new production areas on the North Slope. The so-called "Gross Value Reduction" ("GVR") allows a company to exclude 20 percent or 30 percent of the gross value for that production from the tax calculation. Qualifying production includes areas surrounding a currently producing area that may not be commercial to develop, as well as new oil pools. Oil that qualifies for this GVR receives a flat \$5 per-taxable-barrel credit rather than the sliding-scale credit available for most other North Slope production. As a further incentive, this \$5 per-taxable-barrel

credit can be applied to reduce tax liability below the minimum tax. The GVR is available only for the first seven years of production and ends early if ANS prices exceed \$70 per barrel for any three years.

Effective January 1, 2022, for North Slope export gas, the tax rate is 13 percent of gross value at the point of production. Currently, only a very small amount of gas is technically export gas, which is sold for field operations in federal offshore leases. However, this tax rate would apply to any major gas export project developed in the future.

For the North Slope, a Net Operating Loss (“NOL”) credit in the amount of 35 percent of losses was available until December 31, 2017. It allowed a credit to be carried forward to offset a future tax liability or, in some cases, to be transferred or repurchased by the State. Effective January 1, 2018, the NOL credit was replaced with a new carried-forward annual loss provision. In lieu of credits, a company may carry forward 100 percent of lease expenditures not applied against the tax and may apply all or part of lease expenditures in a future year. A carried-forward annual loss may not reduce tax below the minimum tax and may only be used after the start of regular production from the area in which the expenditures were incurred. An unused carried-forward annual loss declines in value by one-tenth each year beginning in the eighth or eleventh year after it is earned, depending on whether the carried-forward annual loss was earned from a producing or non-producing area.

Cook Inlet oil production is officially subject to the same tax rate of 35 percent of PTV. However, the tax is limited by statute to a maximum of \$1 per barrel.

For Cook Inlet gas production, the tax rate is 35 percent of PTV, and the tax is limited to a maximum value averaging 17.7 cents per thousand cubic feet. This rate also applies to North Slope gas used for qualifying in-State uses, commonly referred to as “non-export gas.”

Taxpayers are required to make monthly estimated payments, based upon activities of the preceding month. These payments are due on the last day of the following month, and taxpayers are required to file an annual tax return to “true up” any tax liabilities or overpayments made during the year. From fiscal year 2007 through fiscal year 2017, as an incentive for new exploration, companies without tax liability against which to apply credits could apply for a refund of the value of most of the credits, subject to appropriation. In fiscal year 2016, the State credited for potential purchase \$498 million from companies claiming such credits. For fiscal year 2017, the State appropriated the minimum provided for in the statutorily based formula of \$30 million for payments of such credits. In fiscal year 2018, the State purchased \$78 million in tax credits through the Oil and Gas Tax Credit Fund and purchased an additional \$100 million in fiscal year 2019. No funds were appropriated for the purchase of tax credit certificates for fiscal year 2020 or fiscal year 2021. \$54 million and \$60 million of general funds was appropriated in the fiscal year 2022 and 2023 budgets, respectively. Additionally, in fiscal year 2023, an amount equal to 10 percent of all revenues from taxes levied by AS 43.55.011 that is not required to be deposited in the budget reserve fund, not to exceed \$330 million, is appropriated from the General Fund to the Oil and Gas Tax Credit Fund. In the Spring 2024 Revenue Forecast, \$305 million is estimated to be purchased by the State in fiscal year 2023, and is preliminary pending annual returns. In the enacted fiscal year 2024 budget, approximately \$28.4 million of general funds were appropriated to the Oil and Gas Tax Credit Fund. As of the date of the Spring 2024 Revenue Forecast, an estimated \$50 million in tax credits are projected to be available for State repurchase, with the majority of those being credits earned in prior years. Payments of these credits are subject to future fiscal year appropriation.

In 2017, House Bill 111 (“HB 111”) was enacted, making multiple changes to the State’s oil and gas production tax and tax credit statutes. Following passage of HB 111, new credits will no longer be eligible for cash repurchase. Instead, companies will retain their credits until such time as they owe a tax

liability to the State, at which time the credits could be used to offset the company’s oil and gas production taxes.

In 2018, House Bill 331 (“HB 331”) was enacted, creating a tax credit bonding program that would allow the State to purchase outstanding oil and gas tax credits at a discount to face value, and spread the funding out over several years through the issuance of subject-to-appropriation bonds. The fiscal year 2020 operating budget appropriated \$700 million of bond proceeds to the Oil and Gas Tax Credit Fund for expenditure in fiscal year 2020 or 2021. A legal challenge delayed the tax credit bonding program, and in September 2020, the Alaska Supreme Court (the “Supreme Court”) held that the tax credit bonding program under HB 331 was unconstitutional, prohibiting the Alaska Tax Credit Certificate Bond Corporation (“ATCCBC”) from issuing bonds to finance the purchase of approximately \$700 million in outstanding tax credit certificates.

All unrestricted revenue generated by the oil and gas production taxes (approximately \$587 million in fiscal year 2019, \$277 million in fiscal year 2020, \$381 million in fiscal year 2021, \$1,802 million in fiscal year 2022, \$1,491 million in fiscal year 2023 and forecasted in the Spring 2024 Revenue Forecast to be \$939.9 million in fiscal year 2024 and \$752.3 million in fiscal year 2025) is deposited in the General Fund, except that any payments received as a result of an audit assessment under the oil and gas production tax or as a result of litigation with respect to the tax are deposited into the CBRF. See Table 1.

Oil and Gas Royalties, Rents and Bonuses. In Alaska, the State retains ownership of all subsurface minerals on lands in the State, with the exception of some federal and Alaska Native Corporation lands. As the land owner, through the Alaska Department of Natural Resources (“DNR”), the State earns revenue from leasing as (i) upfront bonuses, (ii) annual rent charges and (iii) retained royalty interests in the oil and gas production. State land historically has been leased largely based on a competitive bonus bid system. Under this system, the State retains a statutorily prescribed minimum royalty interest of at least 12.5 percent on oil and gas production from land leased from the State, although some leases contain royalty rates of 16.67 percent and some also include a net profit-share or sliding scale component. Under all lease contracts the State has ever written, the State reserves the right to switch between taking its royalty in-kind or in cash (in cash royalty is valued according to a formula based upon the contract prices received by the producers, net of transportation charges). When the State elects to take its royalty share in-kind, the State becomes responsible for selling and transporting that royalty share, which means establishing complex contracts to accomplish these tasks. The State regularly negotiates these contracts and has historically sold roughly 95 percent of North Slope oil royalties in this way. State royalty revenue from production on State land that is not obligated to the Permanent Fund or Public School Trust Fund is unrestricted revenue that is available for general appropriations.

In addition to royalties from production on State land, the State receives 50 percent of royalties and lease bonuses and rents received by the federal government from leases of federal lands in the National Petroleum Reserve Alaska (the “NPR-A”). The State is required to deposit its entire share of lease bonuses, rents, and royalties from oil activity in the NPR-A in the NPR-A Special Revenue Fund, from which a portion is used to make grants to municipalities that demonstrate present or future impact from oil development in the NPR-A. Of the revenue in the NPR-A Special Revenue Fund that is not appropriated to municipalities, 50 percent is to be deposited to the Permanent Fund, with up to 0.5 percent to the Public School Trust Fund and then to the Power Cost Equalization Fund. Any remaining amount is then available for General Fund appropriations. The State also receives a portion of revenues from federal royalties and bonuses on all other federal lands located within State borders and from certain federal waters.

Table 1 summarizes the sources and initial applications of oil and other petroleum-related revenue for fiscal years 2014 through 2023.

Table 1
Sources and Initial Applications of Oil and Other Petroleum-Related Revenue
Fiscal Years Ended June 30, 2014 – 2023

	(\$ millions)									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Oil Revenue to the General Fund										
Property Tax.....	\$ 128.1	\$ 125.2	\$ 111.7	\$ 120.4	\$ 121.6	\$ 119.5	\$ 122.9	\$ 119.2	\$ 122.4	\$ 128.8
Corporate Income Tax ⁽¹⁾ .	307.6	94.8	(58.8)	(59.4)	66.4	217.7	(0.2)	(19.4)	297.5	312.4
Production Tax.	2,605.9	381.6	176.8	125.9	741.2	587.3	277.4	381.1	1,801.6	1,490.9
Royalties (including bonuses, rents and interest) ⁽²⁾⁽³⁾	1,721.2	1,086.3	879.8	690.1	1,011.0	1,119.3	683.0	736.6	1,259.3	1,187.4
Subtotal	\$4,762.8	\$1,687.9	\$1,109.5	\$ 876.9	\$ 1,940.2	\$ 2,043.8	\$ 1,083.1	\$ 1,217.6	\$ 3,480.8	\$ 3,119.4
Oil Revenue to Other Funds										
Royalties to the Permanent Fund and School Fund ⁽²⁾⁽³⁾	\$ 786.2	\$ 518.3	\$ 396.9	\$ 340.0	\$ 363.1	\$ 382.3	\$ 323.9	\$ 337.7	\$ 548.0	\$ 507.4
Tax settlements to CBRF	177.4	149.9	119.1	481.9	121.3	181.2	281.2	35.0	21.1	196.0
NPR-A royalties, rents and bonuses ⁽⁴⁾	6.8	3.2	1.8	1.4	23.7	12.3	16.4	15.8	16.7	41.5
Subtotal	970.4	671.4	517.8	823.2	508.0	575.8	621.5	388.5	593.5	752.7
Total Oil Revenue	\$5,733.2	\$2,359.3	\$1,627.4	\$1,700.2	\$2,448.2	\$2,619.6	\$1,704.6	\$1,606.1	\$4,074.3	\$3,872.1

- (1) Corporate income tax collections for fiscal years 2016-2017 and 2020-2021 were negative due to large refunds of prior-year estimated taxes and low estimated taxes for those fiscal years.
- (2) Net of Permanent Fund, Public School Trust Fund, and CBRF deposits. The State Constitution requires the State to deposit at least 25 percent in the Permanent Fund, and between 1980 and 2003, State statutes required the State to deposit at least 50 percent in the Permanent Fund. The statutory minimum was changed to 25 percent beginning July 1, 2003, and changed back to 50 percent as of October 1, 2008. In fiscal years 2018 and 2019, only the constitutionally required 25 percent of royalties were deposited into the Permanent Fund. See “Government Funds – The Alaska Permanent Fund” below.
- (3) Includes both Designated General Fund Royalties and Other Restricted Royalties. Beginning with FY 2022, the hazardous release surcharge and refined fuel surcharge are shown as Designated General Fund revenue. Previously these surcharges were shown as Unrestricted General Fund revenue.
- (4) By federal statute, the State receives 50 percent of federal revenues from oil and gas lease sales located in the NPR-A.
- Source: 2014 through 2023 Revenue Sources Books and Forecast, including the Spring 2024 Revenue Forecast Update, Tax Division.

Corporate Income Tax. The State levies a corporate income tax on Alaska taxable net income of corporations doing business in Alaska (other than certain qualified small businesses and income received by certain corporations from the sale of salmon or salmon eggs). Corporate income tax rates are graduated and range from zero percent to 9.4 percent of income earned in Alaska. Taxable income generally is calculated using the provisions of the federal Internal Revenue Code, and the calculation of Alaska taxable income varies, depending upon whether the corporation does business solely in Alaska, does business both inside and outside Alaska, or is part of a group of corporations that operate as a unit in the conduct of a single business (a “unitary” or “combined” group). Oil and gas companies are combined on a world-wide

basis, although for other industries only the companies doing business in the United States are combined. Taxpayers may claim all federal incentive credits, but federal credits that refund other federal taxes are not allowed as credits against State corporate income taxes. In addition to the federal incentive credits, the State provides additional incentives, including an education credit for contributions made to accredited State universities or colleges for education purposes, a minerals exploration incentive, an oil and gas exploration incentive, and a gas exploration and development tax credit.

Most corporate net income tax collections are deposited in the General Fund, although collections from corporate income tax audit assessments of oil and gas corporations are deposited in the CBRF.

Non-Oil Revenues. The State also receives unrestricted and restricted General Fund revenues from activities unrelated to petroleum. The State receives revenues from corporate income taxes paid by corporations other than petroleum producers, cigarette/tobacco/marijuana excise taxes, motor fuel taxes, alcoholic beverage taxes, fishery business taxes, electric and telephone cooperative taxes, insurance premium taxes, commercial passenger vessel excise taxes and service charges, permit fees, fines and forfeitures, mining license taxes, and miscellaneous revenues. See “– Government Budgets and Appropriations – *General Appropriations*” below. A number of these non-oil tax, license, and fee revenues (but not investment income and federal revenue) are shared with municipalities. In fiscal year 2023, unrestricted revenues unrelated to petroleum production (excluding investment income and federal revenues) was \$472.3 million, and in the Spring 2024 Revenue Forecast, the State forecasts the value to be \$461.1 million in fiscal year 2024 and \$517.4 million in fiscal year 2025. Contained in the non-oil figures is the minerals industry, which contributes State revenue in the form of corporate income tax, mining license tax, and mining rents and royalties. For additional information, see “– Government Budgets and Appropriations – *General Appropriations*” below.

Federal Revenue. The federal government is a significant employer in Alaska, directly and indirectly, in connection with its military bases and as a result of procurement contracts, grants, and other spending. In addition to expenditures in connection with federal military bases and other activities in Alaska, the State receives funding from the federal government, approximately \$3.4 billion in fiscal year 2019, \$4.2 billion in fiscal year 2020, \$7.6 billion in fiscal year 2021, \$6.9 billion in fiscal year 2022, and \$5.8 billion in fiscal year 2023. In the Spring 2024 Revenue Forecast, the State forecasts restricted federal revenue to be approximately \$6.2 billion in fiscal year 2024 and \$6.5 billion in fiscal year 2025. The forecasts represent total budgeted spending authority for federal receipts, and actual federal receipts are subject to change. The federal funds are used primarily for road and airport improvements, aid to schools, and Medicaid payments, all of which are restricted by legislative appropriation to specific uses. Federal funds are most often transferred to the State on a reimbursement basis, and all transfers are subject to federal and State audit. Most federal funding requires State matching.

Investment Revenues. The State earns unrestricted and restricted by custom investment earnings from a number of internal funds. Two primary sources of investment income for the State are the two constitutionally-mandated funds, the Permanent Fund and the CBRF. The Permanent Fund had a fund balance (principal and earnings reserve) of approximately \$78.0 billion as of February 29, 2024, unaudited, which includes approximately \$3.7 billion committed to the State’s General Fund pursuant to SB 26 for the succeeding fiscal year and an estimated \$1.4 billion for current year inflation proofing. The Permanent Fund had a total fund balance of \$78.0 billion as of June 30, 2023, \$76.3 billion as of June 30, 2022, \$81.9 billion as of June 30, 2021, \$65.3 billion as of June 30, 2020, and \$66.3 billion as of June 30, 2019. The CBRF had an asset balance of approximately \$2.8 billion, unaudited, as of February 29, 2024. The CBRF had an asset balance of approximately \$2.6 billion as of June 30, 2023, \$0.9 billion as of June 30, 2022, \$1.1 billion as of June 30, 2021, \$2.0 billion as of June 30, 2020, and \$1.8 billion as of June 30, 2019. Restricted investment revenue from the CBRF was approximately \$62.9 million in fiscal year 2023. In the Spring 2024 Revenue Forecast, the State forecasts restricted investment revenue from the CBRF to be

\$119.3 million in fiscal year 2024 and \$78.7 million in fiscal year 2025. The Permanent Fund Earnings Reserve balance is available for appropriation with a majority vote of the Legislature, while appropriation of the Permanent Fund’s principal balance requires amendment of the State Constitution. The balance of the CBRF is available for appropriation with a three-fourths vote of each house of the Legislature, and as described below, the State has historically borrowed from the CBRF when needed to address mismatches between revenue receipts and expenditures in the General Fund and/or to balance the budget at the end of the fiscal year.

As previously described, SB 26, relating to the earnings of the Permanent Fund, was enacted in 2018. The APFC projects these annual transfers of unrestricted General Fund revenue from the Permanent Fund Earnings Reserve to the General Fund in their monthly history and projections report, as reflected in Table 2.

Table 2
State of Alaska
Transfers from the Permanent Fund Earnings Reserve
to the General Fund for the Fiscal Years Ended June 30, 2019-2023
APFC Forecast for Fiscal Years Ending June 30, 2024– 2033

(\$ millions)

Fiscal Year	Transfer Amount
2019	\$2,723
2020	2,933
2021	3,091
2022	3,069
2023	3,361
Projected ⁽¹⁾	
2024	3,526
2025	3,657
2026	3,794
2027	3,967
2028	3,998
2029	4,111
2030	4,235
2031	4,367
2032	4,503
2033	4,644

(1) APFC transfer projections as of the unaudited February 29, 2024, report, and subject to change.

Source: APFC Fund Financial History & Projections as of February 29, 2024.

General Fund asset balances listed as of June 30 may include borrowings from the CBRF for future fiscal year operating requirements. All CBRF values stated above are asset values. See “– Government Funds – *The Constitutional Budget Reserve Fund*” and “– *The Alaska Permanent Fund*” below.

In the past, the State has also received earnings on the Statutory Budget Reserve Fund (the “SBRF”). Earnings on the SBRF are considered General Fund unrestricted revenue unless otherwise appropriated back to the SBRF. Article IX, Section 17(d) of the Alaska Constitution provides that the amount of money in the General Fund available for appropriation at the end of each succeeding fiscal year is to be deposited in the CBRF until the amount appropriated from the CBRF is repaid. The available fund balance of the SBRF diminished to zero during fiscal year 2016. The SBRF unassigned fund balance for fiscal year 2022, reported in the State’s Annual Comprehensive Financial Report (“ACFR”), was \$371.8 million. The Office of Management and Budget Fiscal Summary as of March 13, 2024, projects a SBRF balance of zero. Any earnings on the SBRF are considered unrestricted investment revenue and flow to the General Fund, unless otherwise appropriated back to the fund.

Major Components of State Revenues. Table 3 summarizes the sources of unrestricted and restricted revenues available to the State in fiscal years [2018 through 2023], with a forecast for fiscal years 2024 and 2025 from the Spring 2024 Revenue Forecast.

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Table 3

Total State Government Revenue by Major Component
Fiscal Years Ended June 30, 2018 – 2023
Forecast for Fiscal Years Ending June 30, 2024 – 2025

(\$ millions)

Revenue Source	2018	2019	2020	2021	2022	2023	2024 ⁽²⁾	2025 ⁽²⁾
<u>Unrestricted</u>								
Oil Revenue	\$ [1,940.2]	\$ [2,043.8]	\$ [1,083.1]	\$ [1,217.6]	\$ [3,480.9]	\$ [3,119.4]	\$ [2,432.3]	\$ [2,196.0]
Non-Oil Revenue	[457.0]	[490.1]	[454.8]	[444.3]	[448.1]	[472.3]	[461.1]	[517.4]
Investment Earnings	[16.3]	[2,815.9]	[2,991.2]	[3,120.9]	[3,010.2]	[3,458.3]	[3,650.6]	[3,735.1]
Subtotal	\$ [2,413.5]	\$ [5,349.8]	\$ [4,529.1]	\$ [4,782.8]	\$ [6,939.2]	\$ [7,050.0]	\$ [6,543.9]	\$ [6,448.5]
<u>Restricted</u>								
Oil Revenue ⁽¹⁾	\$ [508.1]	\$ [575.8]	\$ [621.5]	\$ [376.0]	\$ [576.7]	\$ [711.2]	\$ [518.3]	\$ [496.0]
Non-Oil Revenue	[697.4]	[631.2]	[558.6]	[590.9]	[643.0]	[680.5]	[831.4]	[848.3]
Investment Earnings ⁽³⁾	[5,616.4]	[1,188.0]	[(1,208.5)]	[16,460.9]	[(6,422.1)]	[1,210.1]	[1,346.3]	[2,250.5]
Federal Revenue	[3,124.6]]	[3,434.5]	[4,173.0]	[7,555.0]	[6,911.8]	[5,826.8]	[6,225.3]	[6,472.5]
Subtotal	[9,446.5]	[5,829.6]	[4,144.6]	[24,982.8]	[1,709.4]	[8,428.6]	[8,921.2]	[10,067.3]
	\$	\$		\$[				
Total	[12,360.0]	[11,179.4]	\$ [8,673.7]	29,765.6]	\$ [8,648.6]	\$[15,478.6]	\$[15,465.1]	\$[16,515.8]

Totals may not foot due to rounding.

- (1) “Restricted Oil Revenue” includes oil revenue for the State’s share of rents, royalties, and bonuses from the NPR–A, shared by the federal government. Starting in fiscal year 2022, hazardous release surcharge and refined fuel surcharge are included in Restricted Oil Revenue. Prior to 2021, these surcharges were included in “Unrestricted Oil Revenue.”
- (2) Forecasts for fiscal years 2024 and 2025 include projections for the transfers from the Permanent Fund Earnings Reserve to the General Fund for unrestricted General Fund expenditures, including the Permanent Fund Dividend, based on SB 26. All values for fiscal years 2024 and 2025 are based on projections as of the release of the Spring 2024 Revenue Forecast and are subject to change.
- (3) A portion of the Restricted investment earnings starting in fiscal year 2019 consist of Permanent Fund unrealized gains and realized gains, less the transfers to the General Fund classified as unrestricted revenue pursuant to SB 26.

Source: 2018 through 2023 Revenue Sources Books and Forecast, including the Spring 2024 Revenue Forecast and Update, Tax Division.

Government Budgets and Appropriations

The Legislature is responsible for enacting the laws of the State, including laws that impose State taxes, and for appropriating money to operate the government. The State is limited by federal law, the State Constitution and statutes, and by policy in how it manages its funds and, as in other states, no funds, regardless of source, may be spent without a valid appropriation from the Legislature. The Legislature has a 90-day statutory time limit, and a constitutional time limit of 120 days with an allowance for up to an additional 10 days, to approve a budget. If the Legislature fails to approve a budget, or if other limited purpose legislation needs to be considered, the Governor or Legislature may call a special session to consider such matters. See “– General Appropriations” below.

Budgets. The State’s fiscal year begins on July 1 and ends on the following June 30, and the Legislature meets in regular session beginning on the fourth Monday of January in each year. The Governor is required by AS 37.07.020(a) to prepare: (1) a statutorily conforming budget for the succeeding fiscal year, including capital, operating, and mental health budgets, setting forth all proposed expenditures (including expenditures of federal and other funds not generated by the State) and anticipated income of all departments, offices, and agencies of the State; (2) a general appropriation bill to authorize proposed expenditures; and (3) in the case of proposed new or additional revenues, one or more bills containing recommendations for such new or additional revenues. In accordance with AS 37.07.020(b), the Governor is also required to prepare a six-year capital budget covering the succeeding six fiscal years and a 10-year fiscal plan. To assist the Governor in preparing budgets, proposed appropriation bills, and fiscal plans, the Tax Division prepares forecasts of annual revenues in December and March or April of each year. See “– State Revenues” above and “– General Appropriations,” Table 4, “– Government Funds,” and “– Revenue Forecasts” below.

The State Constitution prohibits the withdrawal from the treasury of nearly all funds, regardless of source, without an appropriation. As a consequence, the Governor’s proposed budget and the Legislature’s appropriation bills include federal and other funds as well as funds from the State and, by practice, funds that may be available for withdrawal without an appropriation. The State has customarily restricted certain revenue sources each fiscal year by practice. Such revenue is nonetheless available for appropriation.

General Appropriations. The Governor is required by State law to submit the three budgets—an operating budget, a mental health budget, and a capital budget—by December 15 and to introduce the budgets and appropriation bills formally to the Legislature in January by the fourth day of the regular Legislative session. These three budgets then go to the House Finance Committee and are voted upon by the House of Representatives. The three budgets then go to the Senate Finance Committee, are voted upon by the full Senate, and may go to a conference committee to work out differences between the House and Senate versions (and then be submitted to both houses for final votes). Bills passed by both houses are delivered to the Governor for signature. The Governor may veto one or more of the appropriations made by the Legislature in an appropriations bill (a “line-item veto”) or may sign the bill or permit the bill to become law without a signature or veto. The Legislature may override a veto by the Governor (by a vote of three-fourths of the members of each house of the Legislature in the case of appropriation bills and by a vote of two-thirds of the members of each house in the case of other bills). Either the Governor or the Legislature may initiate supplemental appropriations during the fiscal year to deal with new or changed revenue receipts, to correct errors, or for any other reason. An appropriation is an authorization to spend, not a requirement to spend. Enacted budget appropriations may be expended beginning July 1.

The Governor is permitted to prioritize or restrict expenditures, to redirect funds within an operating appropriation to fund core services, and to expend unanticipated federal funds or program receipts. Historically, Alaskan Governors have placed restrictions on authorized operating and capital expenditures during years in which actual revenues were less than forecast and budgeted. Such expenditure restrictions have included deferring capital expenditures, State employment hiring and compensation freezes, lay-offs and furloughs, and restrictions on non-core operating expenses. Operating and capital expenditures have generally declined over the same time period through, among other actions, use of administrative restrictions on spending. See “– Public Debt and Other Obligations of the State” below.

Additional options for the State to manage budget funding include reducing State expenditures, transferring spending authority among line items, providing additional incentives to develop petroleum or mining resources, reinstituting a State personal income tax, or imposing other broad-based statewide taxes, such as a sales tax. Most of these options, including the imposition of personal income taxes or other taxes, would require action by the Legislature.

Governor Michael J. Dunleavy was reelected in November 2022, originally taking office in December 2018. In his fiscal year 2020 budget, the Governor declared that significant adjustments to the State budget were needed to allow for a Permanent Fund Dividend distribution to State residents based on a historical statutory formula. This proposal was not approved by the Legislature. In his fiscal year 2021 and 2022 budgets the Governor again requested a Permanent Fund Dividend distribution to eligible State residents based on the historical statutory formula. Again, the Legislature did not approve these proposals. The fiscal year 2023 budget included an appropriation of approximately \$2.1 billion for Permanent Fund Dividend distributions to all eligible Alaskans, of which approximately \$420.1 million was designated as a special appropriation for energy relief. The enacted fiscal year 2024 budget includes approximately \$881.6 million for Permanent Fund Dividend distributions to all eligible Alaskans.

Through special appropriations in the fiscal year 2024 enacted budget, if the unrestricted general fund revenue, collected in the fiscal year ending June 30, 2024, exceeds \$6,264,300,000, the amount remaining, after all appropriations have been made that take effect in the fiscal year ending June 30, 2024, of the difference between \$6,264,300,000 and the actual unrestricted general fund revenue collected in the fiscal year ending June 30, 2024, not to exceed \$636,400,000, is appropriated as follows: 1) 50 percent from the general fund to the dividend fund to pay a one-time energy relief payment as part of the permanent fund dividend and for administrative and associated costs for the fiscal year ending June 30, 2025; and 2) 50 percent from the general fund to the budget reserve fund. After the appropriations made in this section, the amount remaining, after all appropriations have been made that take effect in the fiscal year ending June 30, 2024, of the difference between \$6,900,700,000 and the actual unrestricted general fund revenue collected in the fiscal year ending June 30, 2024, is appropriated from the general fund to the budget reserve fund.

The State's enacted budget for fiscal year 2024, including forecasted supplemental appropriations, decreased spending from fiscal year 2023 from approximately \$15.9 billion to \$14.5 billion. The fiscal year 2023 expenditure value, provided by the Office of Management and Budget ("OMB") fiscal summary as of June 19, 2023, was inclusive of the permanent fund dividend distribution of approximately \$2.1 billion.

In May 2021, Governor Dunleavy revised his proposed constitutional amendment relating to the Alaska Permanent Fund, appropriations from the Permanent Fund, and the Permanent Fund Dividend. The revised amendment provides that 50 percent of the annual POMV transfer from the Permanent Fund Earnings Reserve Account would be dedicated to the Permanent Fund Dividend distribution. This proposal has received limited consideration by the Legislature to date and to be implemented, must receive a two-thirds vote of approval from both the House of Representatives and the Senate followed by approval in a statewide election.

Appropriations for Debt and Appropriations for Subject-to-Appropriation Obligations. The Governor's appropriations bills include separate subsections for appropriations for State debt and other subject-to-appropriation obligations and specify the sources of funds to pay such obligations. For the State's outstanding voter-approved general obligation bonds and bond anticipation notes and for revenue anticipation notes to which the State's full faith and credit are pledged, money is appropriated from the General Fund and, if necessary, to the General Fund from other funds, including the Permanent Fund, to the State Bond Committee to make all required payments of principal, interest, and redemption premium. For the full faith and credit obligations, the State legally is required to raise taxes if State revenues are not sufficient to make the required payments.

The Governor's appropriation bills also include separate subsections for appropriations for subject-to-appropriation obligations, such as outstanding capital leases and lease-purchase financings authorized by law, and for State appropriations to replenish debt service reserves in the event of a

deficiency. Such appropriations are made from the General Fund or from appropriations transferring to the General Fund money available in other funds such as the CBRF, SBRF, the Power Cost Equalization Fund, unencumbered funds of the State's public corporations, and the Permanent Fund Earnings Reserve.

Appropriation Limits. The State Constitution does not limit expenditures but does provide for an appropriation limit and reserves one-third of the amount within the limit for capital projects and loan appropriations. Because State appropriations have never approached the limit, the reservation for capital projects and loan appropriations has not been a constraint. The appropriation limit does not include appropriations for Permanent Fund Dividends described below, appropriations of revenue bond proceeds, appropriations to pay general obligation bonds, or appropriations of funds received in trust from a non-State source for a specific purpose, including revenues of a public enterprise or public corporation of the State that issues revenue bonds. In general, under the State Constitution, appropriations that do not qualify for an exception may not exceed \$2.5 billion by more than the cumulative change, derived from federal indices, in population and inflation since July 1, 1981. For fiscal year 2022, the Office of Management and Budget estimated the appropriation limit to be approximately \$11.1 billion. The fiscal year 2022 budget, not counting the excluded appropriations, was \$7.3 billion, or \$3.8 billion less than the constitutional limit.

As shown in Table 4, unrestricted General Fund revenue decreased to \$4.5 billion in fiscal year 2020 and increased to approximately \$4.8 billion in fiscal year 2021. In fiscal year 2019, the State began appropriating amounts from the Permanent Fund Earnings Reserve to the General Fund as unrestricted General Fund revenue, which significantly diminishes the percentage of unrestricted revenue that petroleum-related revenue represents. The enacted fiscal year 2024 budget included approximately \$3.5 billion in transfers from the Permanent Fund Earnings Reserve to the General Fund as unrestricted revenue. This shift of classification of revenue of the Permanent Fund from restricted to unrestricted was incorporated into the State's revenue projections in Table 4.

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Table 4
State of Alaska
Total Unrestricted General Fund Revenue, ANS West Coast Oil Price, and ANS Oil Production
Fiscal Years Ended June 30, 2014 – 2023 and
Forecast for Fiscal Years Ending June 30, 2024 – 2034

Fiscal Year	Total Unrestricted General Fund Revenue (\$ millions)	ANS West Coast Oil Price (\$/barrel)	ANS Oil Production (thousands of barrels per day)
2014	5,390	107.57	530.4
2015	2,256	72.58	501.0
2016	1,533	43.18	514.7
2017	1,355	49.43	526.4
2018	2,414	63.61	518.5
2019	5,350	69.46	496.9
2020	4,529	52.12	471.8
2021	4,783	54.14	486.1
2022	6,939	91.41	476.5
2023	7,050	86.63	479.4
Projected ⁽¹⁾			
2024	6,544	84.08	467.6
2025	6,449	78.00	476.8
2026	6,430	74.00	482.0
2027	6,617	72.00	520.0
2028	6,707	70.00	547.2
2029	6,813	70.00	542.8
2030	6,869	69.00	545.2
2031	7,008	69.00	573.1
2032	7,305	71.00	614.9
2033	7,604	73.00	640.2
2034	7,833	75.00	641.1

⁽¹⁾ The values for fiscal years 2024 through 2034 use the projections included in the Spring 2024 Revenue Forecast, and are subject to change. Fiscal year 2024 includes approximately \$3.5 billion in transfers from the Permanent Fund Earnings Reserve to the General Fund as unrestricted revenue. The forecast period includes projections for the transfers from the Permanent Fund Earnings Reserve to the General Fund for unrestricted General Fund expenditures, including the Permanent Fund Dividend, based on SB 26.

Source: 2014 through 2023 Revenue Sources Books and Forecast, including the 2024 Spring Revenue Forecast Update, Tax Division.

The State’s constitutionally based obligation for K-12 education has been one of the largest single recurring budget line items in the State’s budget. In the enacted fiscal year 2024 budget, approximately \$1.17 billion is appropriated to the public education fund, comprised of an estimated \$1.14 billion from the general fund, and \$32.2 million from the Public School Trust Fund.. See “– Public Debt and Other

Obligations of the State – *State-Supported Debt* – *State-Supported Municipal Debt Eligible for State Reimbursement*” below.

The Spring 2024 Revenue Forecast projects approximately \$7.1 billion in unrestricted General Fund revenue in fiscal year 2024 prior to any carryforwards and adjustments from fiscal year 2023, and the enacted fiscal year 2024 budget included approximately \$5.3 billion in unrestricted General Fund operating and capital budget appropriations. The enacted fiscal year 2024 budget included approximately \$3.5 billion in transfers from the Permanent Fund Earnings Reserve to the General Fund as unrestricted revenue. In addition, the fiscal year 2024 expenditure value for the permanent fund dividend distribution was \$881.6 million.

In fiscal year 2024, projections for unrestricted General Fund capital budget appropriations decreased to approximately \$387.5 million from \$734.9 million in fiscal year 2023. Prior to fiscal year 2023, there were seven consecutive fiscal years that unrestricted General Fund capital budget appropriations had been under \$250 million, compared to \$608 million in fiscal year 2015. The State’s fiscal year 2024 total capital budget appropriations, including unrestricted general funds, designated general funds, other and federal funds were approximately \$3.1 billion (Source: Office of Management and Budget, Fiscal Summary as of June 19, 2023 and March 13, 2024).

Government Funds

Because the State is dependent upon taxes, royalties, fees, and other revenues that can be volatile, the State has developed a framework of constitutionally and statutorily restricted revenue that is held in a variety of reserve funds to provide long-term and short-term options to address cash flow mismatches and budgetary deficits. The State Constitution provides that with three exceptions, the proceeds of State taxes or licenses “shall not be dedicated to any special purpose.” The three exceptions are when required by the federal government for State participation in federal programs, any dedication existing before statehood, and when provided by the State Constitution, such as restricted for savings in the Permanent Fund or the CBRF.

Current State funding options available on a statutory basis include General Fund unrestricted revenue (which pursuant to SB 26 includes an annual transfer from the Permanent Fund Earnings Reserve), use of the earnings or the principal balance of the SBRF, borrowing restricted earnings revenue or principal balance from the CBRF, use of the statutorily restricted oil revenue currently flowing to the Permanent Fund, and use of the unrestricted earnings revenue of the Permanent Fund. To balance revenues and expenditures in a time of financial stress, each of these funds can be drawn upon, following various protocols. The CBRF may be accessed with a majority vote of the Legislature following a year-over-year total decline in total revenue available for appropriation, or in any year by a three-quarters vote of both houses of the Legislature. A majority vote of the Legislature is needed to appropriate from the SBRF and from the Permanent Fund Earnings Reserve.

The General Fund. Unrestricted State revenue is annually deposited in the General Fund, which serves as the State’s primary operating fund and accounts for most of the State’s unrestricted financial resources. The State has, however, created more than approximately 55 subfunds and “cash pools” within the General Fund to account for funds allocated to particular purposes or reserves, including the CBRF, the SBRF, an Alaska Capital Income Fund, and a debt retirement fund. In terms of long-term and short-term financial flexibility, the CBRF and the SBRF (subfunds within the General Fund) have been of particular importance to the State.

The Constitutional Budget Reserve Fund. The State Constitution requires that oil and gas and mineral dispute-related revenue be deposited in the CBRF. The State Constitution provides that other than

money required to be deposited in the Permanent Fund and the Public School Trust Fund, all money received by the State after July 1, 1990 as a result of the termination, through settlement or otherwise, of an administrative proceeding or of litigation involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or involving taxes imposed on mineral income, production, or property, are required to be deposited in the CBRF. Money in the CBRF may be appropriated (1) for any public purpose, upon the affirmative vote of three-fourths of each house of the Legislature; or (2) by majority vote if the amount available to the State for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year; however, the amount appropriated may not exceed the amount necessary, when added to other funds available for appropriation, to provide for total appropriations equal to the amount of appropriations made in the previous calendar year for the previous fiscal year. The State Constitution also provides that until the amount appropriated from the CBRF is repaid, excess money in the General Fund at the end of each fiscal year must be deposited in the CBRF.

The State historically has borrowed from the CBRF as part of its cash management plan to address timing mismatches between revenues and disbursements within a fiscal year and also to balance the budget, when necessary, at the end of the fiscal year. The State has drawn on the CBRF in each year since fiscal year 2014, although in some years dedicated earnings and deposits into the CBRF were greater than the draws. Historical borrowing from the CBRF in the 1990s through 2005 was completely repaid in fiscal year 2010 and no borrowing activity from the CBRF occurred during fiscal years 2011, 2012, or 2013.

The fiscal year 2015 capital budget approved by the Legislature included a \$3 billion transfer from the CBRF to the Public Employees Retirement System (“PERS”) and Teachers Retirement System (“TRS”). PERS received \$1 billion and TRS received \$2 billion. This transfer resulted in a liability of the General Fund. Additional amounts were appropriated from the CBRF to the General Fund annually in fiscal years 2016 through 2021 to fund shortfalls between State revenue and General Fund appropriations. The total net amount appropriated from the CBRF since fiscal year 2015 as of June 30, 2022, was approximately \$11.2 billion. Pursuant to the State’s fiscal year 2022 ACFR, the June 30, 2022, unassigned fund balance of the CBRF was approximately \$2.4 million.

The asset balance in the CBRF as of June 30, 2023, was approximately \$2.6 billion, including earnings of approximately \$62.9 million. General Fund asset balances listed as of June 30 may include borrowings from the CBRF for future fiscal year operating requirements. As of June 30, 2022, the asset balance was approximately \$914.5 million, including earnings of approximately \$1.2 million; as of June 30, 2021, the asset balance was approximately \$1.1 billion, including earnings of approximately \$2.2 million; as of June 30, 2020, the asset balance was approximately \$2.0 billion, with investment earnings of \$62.8 million; and as of June 30, 2019, the asset balance was \$1.8 billion, with investment earnings of \$74.8 million.

The Statutory Budget Reserve Fund. The SBRF has existed in the State’s accounting structure since 1986. The SBRF is available for use for legal purposes by majority vote of the Legislature and with approval by the Governor. If the unrestricted amount available for appropriation in the fiscal year was insufficient to cover General Fund appropriations, the amount necessary to balance revenue and General Fund appropriations or to prevent a cash deficiency in the General Fund may be appropriated from the SBRF to the General Fund. For fiscal year 2015, this resulted in a year-end transfer from the SBRF to the General Fund of approximately \$2.5 billion. As of June 30, 2015, the SBRF held approximately \$288 million. Article IX, Section 17(d) of the Alaska Constitution provides that the amount of money in the General Fund available for appropriation at the end of each succeeding fiscal year is to be deposited in the CBRF until the amount appropriated from the CBRF is repaid. For fiscal year 2016, this resulted in a year-end sweep from the SBRF to the General Fund for transfer to the CBRF in the amount of \$288 million, and the available fund balance of the SBRF diminished to zero. The SBRF unassigned fund balance for fiscal year 2022, reported in the State’s ACFR, was \$371.8 million as of June 30, 2022. The Office of

Management and Budget Fiscal Summary as of March 13, 2024 projects a SBRF balance of zero. Any earnings on the SBRF are considered unrestricted investment revenue and flow to the General Fund, unless otherwise appropriated back to the fund.

The Alaska Permanent Fund. The Permanent Fund was established by a voter-approved constitutional amendment that took effect in February 1977. The amendment provides that “at least twenty-five percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments” and that “all income from the permanent fund shall be deposited in the General Fund unless otherwise provided by law.”

In 1980, legislation was enacted that provided for the management of the Permanent Fund by the APFC, a public corporation within the DOR managed by a board of trustees. The same legislation modified the contribution rate to the Permanent Fund from 25 percent (the minimum constitutionally mandated contribution) to 50 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares, federal mineral revenue sharing payments, and bonuses received by the State from mineral leases issued after December 1, 1979 or, in the case of bonuses, after May 1, 1980. The statutory contribution rate was changed back to 25 percent by legislation as of July 1, 2003 but then returned to 50 percent as of October 1, 2008. For fiscal year 2023, State oil and mineral revenues deposited in the Permanent Fund were \$754 million, compared to \$549 million in fiscal year 2022, \$320 million in fiscal year 2021, \$319 million in fiscal year 2020, and \$385 million in fiscal year 2019. Since inception, as of June 30, 2023, contributions to the principal account of the Permanent Fund, both constitutionally and statutorily mandated, include \$22.2 billion for inflation proofing, \$19.2 billion in royalty contributions, and \$15.0 billion in special appropriations.

The Permanent Fund tracks earnings on a basis compliant with statements pronounced by the Governmental Accounting Standards Board (“GASB”) in the compilation of the financial statements of the Permanent Fund. Fund balance consists of two parts: (1) principal, which is non-spendable, and (2) earnings reserve, which is spendable with an appropriation by the Legislature. By statute, only realized gains are deposited in the earnings reserve. Unrealized gains and losses associated with principal remain allocated to principal. Because realized gains deposited in the earnings reserve are invested alongside the principal, however, the unrealized gains and losses associated with the earnings reserve are spendable with an appropriation of the Legislature.

Pursuant to legislation enacted in 1982, annual appropriations are made from the Permanent Fund Earnings Reserve, first for dividends to qualified Alaska residents and then for inflation proofing. Between 1982 and 2023, approximately \$30.2 billion of dividends were paid to Alaska residents and \$22.2 billion of Permanent Fund income has been added to principal for inflation proofing. For fiscal years 2016, 2017, and 2018, there were no appropriations and therefore no transfers from the earnings reserve to principal for inflation proofing. The amount calculated under statute for fiscal year 2019 inflation proofing, \$989 million, provided for in the enacted fiscal year 2019 operating budget, was appropriated from the earnings reserve to the principal of the Permanent Fund to offset the effect of inflation on the principal for fiscal year 2019. The State’s fiscal year 2020 budget included an appropriation of approximately \$4.8 billion from the earnings reserve to the principal of the Permanent Fund. The State’s fiscal year 2021 budget did not include an appropriation for additions to principal for inflation proofing. The Legislature made an approximate \$4.0 billion special appropriation to principal in the fiscal year 2022 budget. For fiscal year 2023, approximately \$4.2 billion was appropriated from the earnings reserve to the principal of the Permanent Fund. The Permanent Fund Dividend amount, paid in calendar year 2022, was \$3,284 per qualified resident, inclusive of amounts designated as energy relief to Alaskans. The Permanent Fund Dividend amount, paid in calendar year 2023, was \$1,312 per qualified resident.

If any income remains after these transfers (except the portion transferred to the Alaska Capital Income Fund as described below), it remains in the Permanent Fund Earnings Reserve as undistributed income. The Legislature may appropriate funds from the earnings reserve at any time for any other lawful purpose. The principal portion of the Permanent Fund, approximately \$67.5 billion as of June 30, 2023, up from approximately \$60.2 billion as of June 30, 2022, may not be spent without amending the State Constitution. The earnings reserve, approximately \$10.5 billion as of June 30, 2023, down from approximately \$16.1 billion as of June 30, 2022, may be appropriated by a majority vote of the Legislature.

During fiscal years 1990 through 1999, the Permanent Fund received dedicated State revenues from settlements of a number of North Slope royalty cases (known collectively as *State v. Amerada Hess*). The total of the settlements and retained income thereon, as of June 30, 2023, was approximately \$424.4 million. Earnings on the settlements are excluded from the dividend calculation and are not subject to inflation proofing in accordance with State law, and beginning in 2005, the settlement earnings have been appropriated to the Alaska Capital Income Fund, a subfund within the General Fund. The Alaska Capital Income Fund realized earnings on settlement principal of approximately \$14.3 million during fiscal year 2023.

As previously discussed, SB 26 created a percent of market value to provide a sustainable draw on the earnings reserve for transfer to the General Fund as unrestricted revenue.

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Table 5
State of Alaska
Available Funds and Recurring and Discretionary General Fund Expenditures
Fiscal Years Ended June 30, 2013 – 2022

Fiscal Year	General Purpose Unrestricted Revenue (\$ mil)	Recurring & Discretionary General Fund Expenditures (\$ mil)	Unrestricted Revenue Surplus/ (Deficit) (\$ mil)	Ending SBRF Reserves Available Balance (\$ mil)	Ending CBRF Reserves Available Balance (\$ mil) ⁽¹⁾	Permanent Fund Earnings Reserve Balance (\$ mil)	Oil Price (\$/barrel)	ANS Oil Production (thousands of barrels per day)
2013	6,929	7,455	(526)	4,711 ⁽²⁾	11,564	4,054	107.57	531.6
2014	5,394	7,314	(1,920)	2,791 ⁽²⁾	12,780	6,211	107.57	530.4
2015	2,257	4,760	(2,503) ⁽³⁾	288 ⁽²⁾	10,101	7,162	72.58	501.0
2016	1,533	5,213	(3,680) ⁽³⁾	– ⁽²⁾	7,331	8,570	43.18	514.7
2017	1,354	4,498	(3,144) ⁽³⁾	– ⁽²⁾	3,896	12,816	49.43	526.4
2018	2,414	4,489	(2,075) ⁽³⁾	– ⁽²⁾	2,360	18,864 ⁽⁴⁾	63.61	518.5
2019	5,350 ⁽⁵⁾	4,889	461 ⁽³⁾	– ⁽²⁾	1,832	18,481 ⁽⁴⁾	69.46	495.0
2020	4,529 ⁽⁵⁾	4,805	(276) ⁽³⁾	– ⁽²⁾	1,983	12,894 ⁽⁴⁾	52.12	471.8
2021	4,783 ⁽⁵⁾	5,031 ⁽³⁾	(248) ⁽³⁾	481 ⁽²⁾	1,076	21,148 ⁽⁴⁾	54.14	486.1
2022	6,939 ⁽⁵⁾	5,362 ⁽³⁾	1,577 ⁽³⁾	372 ⁽²⁾	915	16,150 ⁽⁴⁾	91.41	476.5
2023	7,050 ⁽⁵⁾	5,641	1,409 ⁽³⁾	– ⁽²⁾	2,620	10,491 ⁽⁴⁾	86.63	479.4

(1) The CBRF available balance represents the historical asset values.

(2) Includes unassigned fund balance through net transfer from the SBRF to the General Fund reconciled at the release of the State's ACFR. Fiscal Year 2023 is a preliminary estimate from OMB Fiscal Summary dated June 19, 2023.

(3) The SBRF was used to balance the fiscal year 2015 deficit, with \$288 million remaining as of June 30, 2015. Article IX, Section 17(d) of the Alaska Constitution provides that the amount of money in the General Fund available for appropriation at the end of each succeeding fiscal year is to be deposited in the CBRF until the amount appropriated is repaid. The available fund balance of the SBRF as of June 30, 2016, was zero. Fiscal year 2021 includes a \$325 million appropriation to the SBRF from the Unrestricted General Fund, and fiscal year 2022 includes an estimated \$109 million draw from the SBRF.

(4) Includes amount committed for General Fund transfers pursuant to SB 26, as well as any special appropriations and/or inflation proofing transfers.

(5) Includes Permanent Fund Earnings Reserve transfer prior to dividend payments.

Source: Alaska Department of Revenue, and Office of Management and Budget.

Revenue Forecasts

The State regularly prepares revenue forecasts for planning and budgetary purposes. Of necessity, such forecasts include assumptions about events that are not within the State's control. The forecast oil production volumes include only production expected from projects currently under development or evaluation. The forecast does not include any revenues that could be received if a natural gas pipeline is constructed. In making its forecasts, the State makes assumptions about, among other things, the demand for oil and national and international economic factors and assumes that the Legislature will not amend current laws to change materially the sources and uses of State revenue and that no major calamities such as earthquakes or catastrophic damage to TAPS will occur. Portions of TAPS are located in areas that have experienced and may in the future again experience major earthquakes. Actual revenues and expenditures will vary, perhaps materially, from year to year, particularly if any one or more of the assumptions upon which the State's forecasts are based proves to be incorrect or if other unexpected events occur. The State's most recent forecast is set forth in the Spring 2024 Revenue Forecast. The State will next update its forecast in the Fall 2024 Revenue Forecast, which is anticipated to be released in December 2024. The State has provided certain estimates for fiscal years 2024 and 2025 based on information available as of the Spring 2024 Revenue Forecast, as well as certain audited results for fiscal year 2023 for the CBRF and the APFC.

See “– Government Funds” above for a description of some of the actions the State can take when revenues prove to be lower than expected.

The State has customarily restricted certain revenue sources each fiscal year by practice. Such revenue is nonetheless available for appropriation. Table 6 provides a summary of the State’s most recent forecast for revenues subject to appropriation in fiscal years [2024 through 2029].

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Table 6
State of Alaska Projection of Revenues Subject to Appropriation
Forecast Summary for Fiscal Years 2024 through 2029 ⁽¹⁾
(\$ millions)

	2024	2025	2026	2027	2028	2029
<u>Petroleum Revenue</u>						
Unrestricted General Fund	\$2,432.3	\$2,196.0	\$2,013.2	\$1,999.7	\$2,044.0	\$2,029.0
Production Tax – Hazardous Release Surcharge	7.5	7.7	7.7	8.3	8.8	8.7
Royalties, Bonuses, Rents, and Interest to Alaska Permanent Fund	83.8	77.3	75.3	99.9	118.7	122.7
Tax and Royalty Settlements to CBRF	10.0	20.0	20.0	20.0	20.0	20.0
Subtotal Petroleum Revenue⁽³⁾	\$2,533.6	\$2,300.9	\$2,116.3	\$2,127.9	\$2,191.5	\$2,180.4
<u>Non-Petroleum Revenue</u>						
Unrestricted General Fund	\$ 461.1	\$ 517.4	\$ 549.2	\$ 582.1	\$ 602.1	\$ 615.7
Designated General Fund	480.2	494.9	497.6	501.1	501.9	502.8
Royalties to Alaska Permanent Fund beyond 25% dedication	3.7	4.0	4.2	4.4	4.5	4.5
Subtotal Non-Petroleum Revenue⁽³⁾	\$ 945.0	\$1,016.4	\$1,051.0	\$1,087.6	\$1,108.5	\$1,123.0
<u>Investment Revenue</u>						
Unrestricted General Fund	\$3,650.6	\$3,735.1	\$3,867.9	\$4,034.9	\$4,060.9	\$4,167.9
Designated General Fund	73.3	57.3	57.3	57.3	57.3	57.3
CBRF ⁽²⁾	119.3	78.7	89.3	92.3	95.4	98.6
Subtotal Investment Revenue⁽³⁾	\$3,843.2	\$3,871.1	\$4,014.5	\$4,184.5	\$4,213.6	\$4,323.8
Total Revenue Subject to Appropriation⁽³⁾	\$7,321.8	\$7,188.4	\$7,181.8	\$7,400.0	\$7,513.5	\$7,627.1

(1) This table presents only the largest known categories of current year funds subject to appropriation. A comprehensive review of all accounts in the State accounting system would likely reveal additional revenues subject to appropriation beyond those identified here. Totals may not foot due to rounding.

(2) CBRF earnings projections on balances reflect estimates that do not incorporate potential amounts swept to the CBRF under Alaska Constitution Article IX Sec. 17(d).

(3) Subtotals and totals may not foot due to rounding.

Source: Spring 2024 Revenue Forecast, Tax Division.

Public Debt and Other Obligations of the State

State debt includes general obligation bonds and revenue anticipation notes, and State-supported debt includes lease-purchase financings and revenue bonds. The State also provides guarantees and other support for certain debt and operates the School Debt Reimbursement Program (the “SDRP”) and the Transportation and Infrastructure Debt Service Reimbursement Program (the “TIDSRP”). Other than the Veterans’ Mortgage Program, these programs do not constitute indebtedness of the State but do provide, annually on a subject-to-appropriation basis, financial support for certain bonds of local governments and obligations of State agencies.

Outstanding State Debt. State debt includes general obligation bonds and revenue anticipation notes. The State Constitution provides that general obligation bonds must be authorized by law and be ratified by the voters and permits authorization of general obligation bonds only for capital improvements. The amount and timing of a bond sale must be approved by the State Bond Committee. For both general obligation bonds and revenue anticipation notes, the full faith, credit, and resources of the State are pledged to the payment of principal and interest. If future State revenues are insufficient to make the required principal and interest payments, the State is legally required to raise taxes to provide sufficient funds for this purpose. Approximately \$577.2 million of general obligation bonds were outstanding as of June 30, 2023. See “Summary of Outstanding Debt” and Tables 7 and 8 below.

Most recently, in November 2012, voters approved \$453,499,200 in general obligation bonds for the purpose of design and construction of State transportation projects (the “2012 Transportation Bond Act”). During fiscal year 2021, the State issued its General Obligation Bonds Series 2020A, which used the remaining authority under the 2012 Transportation Bond Act.

The following other debt and debt programs of the State were outstanding as of June 30, 2023, except as otherwise noted.

State Guaranteed Debt. The only purpose for which State guaranteed debt may be issued is for payment of principal and interest on revenue bonds issued for the Veterans Mortgage Program by the Alaska Housing Finance Corporation (“AHFC”) for the purpose of purchasing mortgage loans made for residences of qualifying veterans. These bonds are also general obligation bonds of the State, and they must be authorized by law, ratified by the voters, and approved by the State Bond Committee. In November 2010, voters approved \$600 million of State guaranteed veterans’ mortgage bonds, and the total unissued authorization was \$584.6 million as of June 30, 2023. As of June 30, 2023, \$41.3 million of State guaranteed debt was outstanding. Subsequent to June 30, 2023, the AHFC issued Veteran’s Mortgage Bonds in the approximate amount of \$49.9 million.

State-Supported Debt. State-supported debt is debt for which the ultimate source of payment is, or may include, appropriations from the General Fund. The State does not pledge its full faith and credit to State-supported debt, but another public issuer may have pledged its full faith and credit to it. State-supported debt is not considered “debt” under the State Constitution, because the State’s payments on this debt are subject to annual appropriation by the Legislature, recourse is limited to the financed property, and this debt does not create a long-term obligation of the State binding future legislatures. Voter approval of such debt is not required. State-supported debt includes lease-purchase financing obligations (structured as certificates of participation (“COPs”)) and capital leases the State has entered into with respect to the Linny Pacillo Parking Garage (with AHFC) and the Goose Creek Correctional Center (with the Matanuska-Susitna Borough). Approximately \$164.0 million of State-supported debt was outstanding as of June 30, 2023.

On September 4, 2020, the Alaska Supreme Court issued a decision related to the Alaska Tax Credit Certificate Bond Corporation (ATCCBC) that created additional limitations on when the State can issue State Supported Debt. While the decision reaffirmed prior Supreme Court decisions allowing the use of State Supported Debt for lease-purchase of real property arrangements, it specifically disallowed the structure contemplated for the Alaska Tax Credit Certificate Bond Corporation created in 2018 in AS 37.18. Due to similarity of structure, the decision also rendered the Pension Obligation Bond Corporation (created in AS 37.16) and the Toll Bridge Revenue Bonds for the Knik Arm Bridge (created in AS 37.15, Article 2) illegal. On September 28, 2020, the State of Alaska Department of Law filed a Petition for Rehearing with the Supreme Court in an attempt to obtain clarity on the scope of the Court's intent in their decision. The Court declined to respond to the Petition for Rehearing.

State-Supported Unfunded Actuarially Assumed Liability (UAAL). In 2008, Senate Bill 125 became law, declaring that the State shall fund any actuarially determined employer contribution rate above 22% for the Public Employees' Retirement System (PERS) or 12.56% for the Teachers' Retirement System (TRS) out of the State's general fund. This change was designed to address the stress municipal employers were experiencing due to high actuarially determined percentage of payroll amounts to pay for actuarially assumed unfunded liabilities of the retirement systems. In 2015, the Governmental Accounting Standards Board Statement 68 (GASB 68) was enacted, updating reporting and disclosure requirements related to pension liabilities. One of the key changes was requiring a government that is committed to making payments on a pension system's unfunded actuarial assumed liability (UAAL) on behalf of another entity to record the liability as a debt of the government making the payment. As a result of GASB 68, \$5.8 billion of long-term debt was added to the State's fiscal year 2015 Annual Comprehensive Financial Report, for a total of \$6.0 billion of UAAL owed by the State at that time.

Annual payments are determined based on a variety of actuarial assumptions and the evolving experience as it occurs. The assumption with perhaps the greatest impact on future payments is the assumed rate of return on invested assets. The ARM Board completed an experience analysis of the actuarial assumptions underlying the PERS and TRS actuarial valuation reports covering the timeframe July 1, 2017, to June 30, 2021. There have been no changes in the actuarial methods or changes in benefit provisions since the June 30, 2021, valuation. Healthcare claims costs are updated annually. However, as a result of the experience analysis, updated demographic and economic assumptions were adopted by the ARM Board in June 2022, and were used in the June 30, 2022, actuarial valuation reports. One significant item that was changed is the actuarial assumption for investment rate of return. This rate was revised from 7.38 percent down to 7.25 percent, and the assumption was included within the June 30, 2022, actuarial valuation reports.

According to the PERS and TRS ACFR as of June 30, 2023, if the actual earnings rate experience is 6.25%, the 1% reduction in the rate of return on investments increases the net PERS pension liability by approximately \$1,775,923,000 and the net TRS pension liability by approximately \$830,095,000.

As long as the Senate Bill 125 statutory framework is in place, the State is statutorily obligated to obtain amounts required to meet all actuarially determined employer contribution rate for PERS' employers above 22% and TRS employers above 12.56%.

Senate Bill 55 (SB 55), an Act relating to employer contributions to the System, made changes to Alaska Statute (AS) 39.35.255 that indicated the State of Alaska, as a participating employer, shall contribute to the System every payroll period an amount sufficient to pay the full actuarially determined employer normal cost, all contributions required under AS 39.30.370 (HRA) and AS 39.35.750 (all DCR costs – employer match, ODD, RMP), and past service costs for members at the contribution rate adopted by the Board under AS 37.10.220 for the fiscal year for that payroll period. The State of Alaska, as an employer, will pay the full actuarial determined employer contribution rate adopted by the Board for each fiscal year effective July 1, 2021.

As of June 30, 2023, State long-term debt for the combined PERS and TRS pension UAAL was approximately \$3.5 billion. Worth noting is that the Other Post Employment Benefit ('OPEB') asset levels are greater than the assumed liabilities for both PERS and TRS.

State-Supported Municipal Debt Eligible for State Reimbursement. The State administers two programs that reimburse municipalities for municipal debt: the SDRP and the TIDSRP. These programs provide for State reimbursement of annual debt service on general obligation bonds of municipalities for the SDRP and a combination of general obligation and revenue bonds of authorized participants in the TIDSRP. The State may choose not to fund these programs in part or whole.

DEED administers the SDRP, which was created by law in 1970. The SDRP allows municipalities to apply, and if structured correctly, be eligible for reimbursement on up to 100 percent of the debt service on general obligation bonds issued for school construction. All municipal bonds are required to be authorized as general obligation bonds of the municipality, providing the ultimate source of payment commitment. The SDRP has been partially funded in a number of years. Access to the SDRP was restricted during the 1990s due to State budgetary pressure. Beginning in the early 2000s, and through 2014, the program was generally available for any qualified municipal project at reimbursement rates of 60 to 70 percent of debt service. In 2015, the Legislature passed a moratorium on the SDRP and eliminated DEED's authority to issue agreements to reimburse debt from school bonds that voters approved after January 1, 2015, and before July 1, 2020. In 2020, the legislature extended the moratorium until July 1, 2025. Since 1983, the SDRP has been partially funded ten times, most recently in fiscal year 2017 at approximately 79 percent of the authorized amount, in fiscal year 2020 at 50 percent of the authorized amount, in fiscal year 2021 at zero percent of the authorized amount, and then in fiscal year 2022 at approximately 42 percent of the authorized amount. The fiscal year 2023 and 2024 budgets included a fully funded SDRP and TIDSRA, and in addition, fiscal year 2022 supplemental appropriations offset prior year reductions in the SDRP for fiscal year 2017 and for fiscal years 2020 through 2022.

The Department of Transportation and Public Facilities (DOTPF) and the Alaska Energy Authority (AEA) administers the TIDSRA which was created by law in 2002. The program currently includes University of Alaska revenue bonds, six municipalities' general obligation bonds, and one electric association revenue bond. The program provides for 100% reimbursement of a limited number of municipal transportation and infrastructure related projects. The underlying municipal bonds are issued as either general obligation bonds or utility revenue bonds providing the ultimate source of payment commitment. This was a one-time authorization and no additional authorizations have been proposed. Other than certain reimbursements for the University of Alaska, no funding was provided in the fiscal year 2020 through 2022 budgets. The fiscal year 2023 and 2024 budgets included a fully funded TIDSRA.

While the SDRP and the TIDSRP have been only partially funded or not funded at all in certain fiscal years, the statutorily allowed reimbursements are still reflected as State subject-to-appropriation obligations in current year balances and future year payment commitments within certain sections of the complete State's Public Debt publications.

State-Supported Toll Revenue Bonds. In April 2014, AS 37 Chapter 16 was enacted creating the Knik Arm Crossing project in the Alaska Department of Transportation and Public Facilities. The Legislation provides for the Department of Transportation to enter into a Transportation Infrastructure Finance and Innovation Act ("TIFIA") loan and for the DOR to issue up to \$300 million of state-supported subordinate lien toll bridge revenue bonds. Given the green field nature of this project there is a 100 percent expectation of insufficient toll revenue to cover debt service and the State's General Fund having to make debt payments for at least 7 to 10 years, and longer if traffic forecasts are not realized. Based on the September 4, 2020, decision of the Supreme Court this statutory construct is invalid.

State Moral Obligation Debt. State moral obligation debt consists of bonds issued by certain State agencies or authorities that are secured, in part, by a debt service reserve fund that is benefited by a discretionary replenishment provision that requires the applicable State agency or authority to report any deficiencies to the debt service reserve fund, and permits, but does not legally obligate, the Legislature to appropriate, on an annual basis, to the particular State agency or authority the amount necessary to replenish the debt service reserve fund up to its funding requirement (generally the maximum amount of debt service required in any year). Such State agency or authority debt is payable in the first instance by revenues generated from loan repayments or by the respective projects financed from bond proceeds. Among those State agencies that have the ability to issue such debt are: Alaska Aerospace Development Corporation, which has not issued any debt; Alaska Energy Authority (“AEA”); AHFC; Alaska Industrial Development and Export Authority (“AIDEA”); Alaska Municipal Bond Bank Authority (“AMBBA”); and Alaska Student Loan Corporation (“ASLC”). Current outstanding moral obligation debt is limited to the Alaska Municipal Bond Bank Authority, and the Alaska Energy Authority. Approximately \$1,220.7 million of such State Moral Obligation debt was outstanding as of June 30, 2023.

State and University Revenue Debt. This type of debt is issued by the State or by the University of Alaska but is secured only by revenues derived from projects financed from bond proceeds. Revenue debt is not a general obligation of the State nor of the University and does not require voter approval. Such debt is authorized by law and issued by the State Bond Committee or the University of Alaska for projects approved by the Commissioner of Transportation and Public Facilities or by the University of Alaska. This type of debt includes International Airport System Revenue Bonds, various University Revenue Bonds, Notes, and Contracts, and Clean Water and Drinking Water Fund Bonds. As of June 30, 2023, there was \$479.1 million of State and University revenue debt outstanding, consisting of \$241.4 million of University of Alaska Revenue Bonds and Notes and \$237.7 million of Alaska International Airport System Revenue Bonds.

State Agency Debt. State agency debt is secured by revenues generated from the use of bond proceeds or the assets financed by bond proceeds or otherwise of assets of the agency issuing the bonds. This debt is not a general obligation of the State nor does the State provide security for the debt in any other manner, i.e., by appropriations, guarantees or moral obligation pledges. As of June 30, 2023, there was \$1,534.8 million aggregate principal amount of State agency debt outstanding, consisting of \$1,247.3 million of AHFC obligations, \$9.3 million of AMBBA Coastal Energy Impact Program Bonds payable to the National Oceanic and Atmospheric Administration, \$17.3 million of Alaska Railroad Corporation obligations and \$260.9 million of obligations of the Northern Tobacco Securitization Corporation.

State Agency Collateralized or Insured Debt. As security for State agency collateralized or insured debt, the particular State agency pledges mortgage loans or other securities as primary security which, in turn, may be 100 percent insured or guaranteed by another party with a superior credit standing. This upgrades the credit rating on the debt and lowers the interest cost and makes it less likely that the State will assume responsibility for the debt. As of June 30, 2023, the total principal amount outstanding of State agency collateralized or insured debt was approximately \$1,108.0 million, consisting of associated obligations issued through AHFC.

State-Supported Pension Obligation Bonds. In 2008, AS.37 Chapter 16 was enacted creating the POBC for the purpose of issuing bonds for up to \$5 billion for the prepayment of UAAL of the retirement systems. The POBC bonds would have been considered State-Supported debt as they would be secured by agreements with other state agencies that are subject to annual appropriation. In 2018, the POBC bond limit was reduced to \$1.5 billion. Based on the September 4, 2020, decision of the Supreme Court this statutory construct is invalid.

State-Supported Tax Credit Certificate Bonds. In 2018, AS 37 Chapter 18 was enacted creating the ATCCBC for the purpose of selling bonds for up to \$1 billion to provide for the purchase of certain State tax credits. The ATCCBC bonds would be considered State-Supported debt as they would be secured by agreements entered into by other state agencies that are subject to annual appropriation. A legal challenge on the State Constitutionality of the ATCCBC was filed and delayed the potential for bond issuance. Based on the September 4, 2020, decision of the Supreme Court this statutory construct is invalid.

Summary of Outstanding Debt. Table 7 lists, by type, the outstanding State-related debt as of June 30, 2023, except as otherwise noted.

Table 7
State of Alaska Debt and State-Related Debt by Type as of June 30, 2023
(\$ millions)

	Principal outstanding	Interest to maturity	Total debt service to maturity
State Debt			
State of Alaska General Obligation Bonds	\$ 577.2	\$ 198.9	\$ 776.1
State Guaranteed Debt			
Alaska Housing Finance Corporation Collateralized Bonds (Veterans' Mortgage Program)	41.3	11.5	52.8
State-Supported Debt			
Certificates of Participation	14.7	2.7	17.4
Lease Revenue Bonds with State Credit Pledge and Payment	149.3	39.0	188.3
Total State-Supported Debt	164.0	41.7	205.7
State-Supported Municipal Debt			
State Reimbursement of Municipal School Debt Service	433.6	77.0	510.6
State Reimbursement of capital projects	13.6	3.4	17.0
Total State Supported Municipal Debt	447.2	80.4	527.6
Pension System Unfunded Actuarial Accrued Liability (UAAL) ⁽¹⁾			
Public Employees' Retirement System UAAL	2,810.0	N/A	2,810.0
Teachers' Retirement System UAAL	710.0	N/A	710.0
Total UAAL	3,520.0	N/A	3,520.0
State Moral Obligation Debt			
Alaska Municipal Bond Bank:			
2005 & 2016 General Resolution General Obligation Bonds	1,016.7	420.5	1,437.2
Alaska Energy Authority:			
Power Revenue Bonds #1 through #11	204.0	193.5	397.5
Total State Moral Obligation Debt	1,220.7	614.0	1,834.7
State Revenue Debt			
International Airport System Revenue Bonds	237.7	85.6	323.3
University of Alaska Debt			
University of Alaska Revenue Bonds	229.1	100.3	329.4
University Lease Liability and Notes Payable	12.3	2.7	15.0
Total University of Alaska Debt	241.4	103.0	344.4
Total State Revenue and University Debt	479.1	188.6	667.7

[Table 7 continues on next page]

	Principal outstanding	Interest to maturity	Total debt service to maturity
State Agency Debt			
Alaska Housing Finance Corporation:			
Commercial Paper	\$ 129.6	N/A	\$ 129.6
State Capital Project Bonds II	1,117.7	529.8	1,647.5
Alaska Municipal Bond Bank Coastal Energy Loan Bonds	9.3	1.4	10.7
Alaska Railroad	17.3	0.4	17.7
Northern Tobacco Securitization Corporation			
2021 Tobacco Settlement Asset-Backed Bonds ⁽²⁾	260.9	444.2	705.1
Total State Agency Debt	1,534.8	975.8	2,510.6
State Agency Collateralized or Insured Debt			
Alaska Housing Finance Corporation:			
Home Mortgage Revenue Bonds	445.9	171.4	617.3
General Mortgage Revenue Bonds II	598.5	256.7	855.2
Government Purpose Bonds	63.6	10.3	73.9
Total State Agency Collateralized or Insured Debt	1,108.0	438.4	1,546.4
Total State and State Agency Debt	9,092.3		
Municipal Debt			
School G.O. Debt	649.6	N/A	N/A
Other G.O. Debt ⁽³⁾	1,714.0	N/A	N/A
Revenue Debt	848.3	N/A	N/A
Total Municipal Debt	3,211.9		
Debt Reported in More than One Category			
Less: State Reimbursable Municipal Debt and Capital Leases	(162.9)		
Less: State Reimbursable Municipal School G.O. Debt	(433.6)		
Less: Alaska Municipal Bond Bank debt included in University debt	(77.5)		
Less: Alaska Municipal Bond Bank debt included in Municipal debt	(825.0)		
Total Deductions Due to Reporting in More than One Category	(1,499.0)		
Total Alaska Public Debt	\$10,805.2		

(1) From most recent 6/30/2022 actuarial valuation, as of the release of the Alaska Public Debt Book 2023-2024.

(2) "Interest to Maturity" and "Total Debt Service to Maturity" includes accreted interest due at maturity of \$335.7 million.

(3) Other G.O. Debt includes certain information sourced directly from the Office of the State Assessor and certain municipal ACFRs.

Source: 2023-2024 Alaska Public Debt Book, published in January 2024.

General Fund Supported Obligations. General Fund support is pledged and required for only a portion of the total outstanding public debt. General obligation bonds are unconditionally supported, and COPs and capital leases are subject-to-appropriation commitments with associated obligations. The SDRP and TIDSRP provide discretionary annual payments to municipal issuers for qualified bonds of the municipalities that are eligible by statute to participate in the programs. Table 8 sets forth existing debt service on outstanding State-supported debt the State has provided from the General Fund for these outstanding obligations and the forecasted support required to retire the outstanding obligations into the future. In the State’s enacted fiscal year 2024 budget, the SDRP and TIDSRP were funded at 100 percent.

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Table 8
State of Alaska
Payments on General Fund Paid Debt as of June 30, 2023
(\$ millions)

Fiscal Year	State G.O.*	Lease / Purchase	Capital Leases (1)	School Debt Reimbursement (2),(3)	Capital Project Reimbursement(3)	Statutory Debt Payment to PERS/TRS (4)	Total Debt Service
2023	73.5	2.9	19.5	77.6	3.6	124.9	302.0
2024	72.7	2.9	19.5	66.2	3.6	136.7	301.6
2025	67.7	2.9	19.5	56.4	3.6	220.6	370.7
2026	67.5	2.9	19.5	46.5	2.8	219.3	358.5
2027	67.5	2.9	20.9	41.2	2.6	247.5	382.6
2028	66.5	2.9	20.9	39.2	2.2	253.8	385.5
2029	65.5	2.9	17.6	34.4	0.9	260.3	381.6
2030	64.8	—	17.6	32.0	0.9	267.4	382.7
2031	52.4	—	17.6	29.8	0.4	274.9	375.1
2032	51.9	—	17.6	26.5	—	283.0	379.0
2033	51.4	—	17.6	20.3	—	291.5	380.8
2034	50.9	—	—	18.0	—	300.0	368.9
2035	27.1	—	—	13.0	—	308.7	348.8
2036	27.0	—	—	6.0	—	317.8	350.8
2037	6.6	—	—	0.9	—	327.7	335.2
2038	18.3	—	—	0.8	—	337.2	356.3
2039	6.1	—	—	0.8	—	347.5	354.4
2040	6.1	—	—	0.4	—	—	6.5
2041	6.1	—	—	0.2	—	—	6.3
2042-2051	—	—	—	—	—	16.8	16.8

(1) A prison and a parking garage have been financed with capital leases.

(2) Fiscal years 2023–2041 payments are based on actual bond repayment schedules on file with the DEED as of June 30, 2023.

(3) In fiscal year 2023, the School Debt and Capital Project Reimbursements were funded at 100%.

(4) Based on PERS and TRS Actuarial Valuation Reports as of June 30, 2022.

(*) State G.O. debt service is net of federal subsidies on interest expense through fiscal year 2038.

Source: 2023 – 2024 Alaska Public Debt Book, published in January 2024.

Payment History. The State has never defaulted on its general obligation bond obligations nor has it ever failed to appropriate funds for any State-supported outstanding securitized lease obligations.

State Debt Capacity. The State has historically used the ratio of debt service to revenue as a guideline for determining debt capacity of the State. This policy was established due to the State’s relatively small population and high per capita revenue due to oil resource-generated and investment revenue. Historically the State’s policy has been that debt service should not exceed five percent of unrestricted revenue when considering only general obligation bonds and COPs that are State-supported. More recently, the State has included more discretionary General Fund supported obligations and programs, including the SDRP, TIDSRP, and certain capital leases. With the more inclusive funding, the State’s policy allows the annual payments on these items to range up to seven percent of unrestricted revenue.

Table 9
State of Alaska
Debt Service on Outstanding Obligations to Unrestricted Revenues
Fiscal Years Ended June 30, 1996 – 2023
Forecast for Fiscal Years Ending June 30, 2024 – 2033

Fiscal Year	Unrestricted Revenues (\$ millions)	State G.O. Debt Service (%)	State Supported Debt Service (%)	Total State Debt Service (%)	School Debt Reimbursements (%)	Statutory Payment to PERS/TRS (%)	Total Payments to Revenues** (%)
1996	\$2133	1.0%	0.5%	1.4%	3.7%	—	5.2%
1997	2,495	0.7	0.4	1.0	2.5	—	3.5
1998	1,826	0.8	0.6	1.3	3.4	—	4.7
1999	1,348	0.7	1.1	1.8	4.6	—	6.4
2000	2,082	0.1	0.9	1.0	3.1	—	4.1
2001	2,282	0.0	0.7	0.7	2.3	—	3.0
2002	1,660	0.0	1.3	1.3	3.3	—	4.5
2003	1,948	0.0	1.1	1.1	2.7	—	3.7
2004	2,346	0.8	0.9	1.7	2.6	—	4.3
2005	3,189	1.5	0.7	2.2	2.2	—	4.4
2006	4,200	1.1	0.6	1.7	1.9	—	3.6
2007	5,159	0.9	0.5	1.4	1.7	—	3.1
2008	10,728	0.4	0.3	0.6	0.8	—	1.4
2009	5,838	0.8	0.6	1.3	1.6	—	2.9
2010	5,513	0.9	0.8	1.7	1.7	—	3.4
2011	7,673	0.7	0.6	1.3	1.3	—	2.6
2012	9,485	0.8	0.4	1.3	1.1	—	2.3
2013	6,929	1.1	0.6	1.7	1.6	—	3.3
2014	5,390	1.4	0.7	2.1	2.0	—	4.1
2015	2,256	3.3	1.6	4.9	5.2	—	10.1
2016	1,533	4.0	2.3	6.3	7.6	—	13.9
2017	1,355	6.1	2.3	8.3	6.7	—	15.0
2018	2,414	3.7	1.1	4.8	4.6	—	9.4
2019	5,350	1.7	0.4	2.1	2.0	—	4.1
2020	4,529	1.7	0.5	2.2	2.2	—	4.5
2021	4,783	1.7	0.5	2.1	2.0	—	4.1
2022	6,939	1.1	0.3	1.4	1.2	—	2.6
2023	7,044	1.0	0.3	1.4	1.2	—	2.6
Projected*							
2024	6,486	1.1	0.3	1.5	1.1	2.1	4.7
2025	6,308	1.1	0.4	1.4	1.0	3.5	5.9
2026	6,302	1.1	0.4	1.4	0.8	3.5	5.7
2027	6,478	1.0	0.4	1.4	0.7	3.8	5.9
2028	6,536	1.0	0.4	1.4	0.6	3.9	5.9
2029	6,546	1.0	0.3	1.3	0.5	4.0	5.8
2030	6,551	1.0	0.3	1.3	0.5	4.1	5.9
2031	6,653	0.8	0.3	1.1	0.5	4.1	5.7
2032	6,900	0.8	0.3	1.0	0.4	4.1	5.5
2033	7,133	0.7	0.2	1.0	0.3	4.1	5.4

* The forecast for fiscal years 2024 through 2033 uses the projections included in the 2023 – 2024 Alaska Public Debt Book, which was based on available information as the Fall 2023 Revenue Sources Book and Forecast release.

** Certain ‘Total Payment to Revenue’ percentages may not foot in the table due to rounding.

Source: 2023 – 2024 Alaska Public Debt Book, published in January 2024.

APPENDIX B

FINANCIAL STATEMENTS OF THE CORPORATION

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, AK 99504

Ladies and Gentlemen:

We have examined the Constitution and laws of the State of Alaska (the “State”) and a record of proceedings relating to the issuance of \$_____ aggregate principal amount of Collateralized Bonds (Veterans Mortgage Program), 2024 First Series (the “2024 Bonds”) of the Alaska Housing Finance Corporation (the “Corporation”), a public corporation and government instrumentality of the State created by and existing under Alaska Statutes 18.55 and 18.56, as amended (the “Act”).

In such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

The 2024 Bonds are authorized and issued pursuant to the Act and a resolution of the Corporation adopted April 24, 2024, and are issued pursuant to the Indenture authorized by said resolution by and between the Corporation and U.S. Bank Trust National Association, as predecessor trustee, dated as of October 1, 1999, as amended, and the 2024 First Series Supplemental Indenture, by and between the Corporation and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”) dated as of June 1, 2024, executed pursuant to said Indenture (together, the “Indenture”).

The 2024 Bonds mature and are subject to redemption as provided in the Indenture.

Capitalized terms used herein and not defined herein are used as defined in the Indenture.

Applicable federal tax law establishes certain requirements that must be met subsequent to the issuance of the 2024 Bonds in order for interest on the 2024 Bonds not to be included in gross income for federal income tax purposes, under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). The Corporation has covenanted that it will comply with such requirements and that it will do all things necessary to ensure that interest on the 2024 Bonds will be, and remain, not included in gross income for federal income tax purposes, under Section 103 of the Code. We have examined the program documentation adopted by the Corporation, which, in our opinion, establishes procedures and covenants under which, if followed, such requirements can be met. In rendering this opinion, we have assumed compliance with, and enforcement of, the provisions of such program procedures and covenants.

As to any facts material to our opinion, we have relied upon various statements and representations of officers and other representatives of the Corporation including without limitation those contained in the Indenture, the Corporation’s Certificate as to matters affecting the tax-exempt status of the 2024 Bonds, the Corporation’s Regulations and Program Materials and the certified proceedings and other certifications of public officials and certifications by officers of the Corporation furnished to us (which are material to the opinion expressed below) without undertaking to verify the same by independent investigation.

Subject to the foregoing, we are of the opinion that:

1. Under the Constitution and laws of the State of Alaska (the “State”), the Corporation has been duly created, organized, and validly exists as a public corporation and government instrumentality in good standing under the laws of the State, performing an essential public function with full corporate power and authority under the Act, among other things, to enter into, and to perform its obligations under the terms and conditions of, the Indenture.
2. The Indenture has been duly authorized, executed and delivered, is in full force and effect, and is valid and binding upon the Corporation and enforceable in accordance with its terms (subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium, or other laws affecting creditors’ rights generally from time to time in effect).
3. The 2024 Bonds have been duly and validly authorized, sold and issued by the Corporation in accordance with the Indenture and Constitution and laws of the State, including the Act and, pursuant to the Act, are issued by a public corporation and government instrumentality of the State for an essential public and governmental purpose.
4. The 2024 Bonds are valid and legally binding general obligations of the Corporation for the payment of which, in accordance with their terms, the full faith and credit of the Corporation have been legally and validly pledged.
5. The 2024 Bonds are valid and legally binding general obligations of the State of Alaska for the payment of which, in accordance with their terms, the full faith and credit of the State have been legally and validly pledged, are enforceable in accordance with their terms and the terms of the Indenture and are entitled to the equal benefit, protection, and security of the provisions, covenants, and agreements of the Indenture.
6. The 2024 Bonds are secured by a pledge in the manner and to the extent set forth in the Indenture. The Indenture creates a valid pledge of and lien on all funds established by the Indenture and moneys and securities therein which the Indenture purports to create, to the extent and on the terms provided therein.
7. Under existing laws, regulations, rulings and judicial decisions, interest on the 2024 Bonds is excluded from gross income for federal income tax purposes.
8. Interest on the 2024 Bonds is not treated as a preference item for purposes of calculating the alternative minimum tax imposed on individuals under the Code. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.
9. Under existing laws, interest on the 2024 Bonds is free from taxation of every kind by the State, and by municipalities and all other political subdivisions of the State (except that no opinion is expressed as to such exemption from State estate and inheritance taxes and taxes of transfers by or in anticipation of death).
10. Certain requirements and procedures contained or referred to in the Indenture and other relevant documents may be changed and certain actions may be taken, upon the advice or with the opinion of counsel. Except to the extent of our concurrence therewith, we express no opinion as to any 2024 Bond, or the interest thereon, if any change occurs or action is taken upon the advice or approval of other counsel.

Sincerely,

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Certificate”) is executed and delivered by the Alaska Housing Finance Corporation (the “Corporation”) in connection with the issuance of \$_____ aggregate principal amount of its Collateralized Bonds (Veterans Mortgage Program) 2024 First Series (the “Bonds”). The Bonds are being issued pursuant to an Indenture by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), dated as of October 1, 1999, as amended (the “Master Indenture”), and a 2024 First Series Supplemental Indenture thereto, by and between the Corporation and the Trustee dated as of June 1, 2024 (the “Supplemental Indenture”) (together with the Master Indenture, the “Indenture”). The Corporation covenants and agrees with the registered owners and the beneficial owners of the Bonds as follows:

SECTION 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Corporation for the sole and exclusive benefit of the registered owners and beneficial owners of the Bonds.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Corporation pursuant to, and as described in, Sections 3 and 4 of this Certificate.

“Fiscal Year” shall mean any twelve-month period ending on June 30 or on such other date as the Corporation may designate from time to time.

“Listed Events” shall mean any of the events listed in Section 5 of this Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Certificate.

“Official Statement” shall mean the Corporation’s final Official Statement with respect to the Bonds, dated _____, 2024.

“Rule” shall mean Rule 15c2 12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports. The Corporation shall provide to the MSRB an Annual Report for the preceding Fiscal Year (commencing with the Fiscal Year ending June 30, 2024) which is consistent with the requirements of Section 4 of this Certificate. The Annual Report shall be provided not later than 180 days after the Fiscal Year to which it relates. The Annual Report may be submitted as a single document or as separate documents constituting a package, and may cross-reference other information as provided in Section 4 of this Certificate; provided that the audited financial statements of the Corporation may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report if not available by that date. The Corporation shall, in a timely manner, file notice with the MSRB of any failure to file an Annual Report by the date specified in

this Section 3. Such notice shall be in the form attached as Exhibit A to this Certificate, subject to Section 9 of this Certificate.

SECTION 4. Content of Annual Reports. The Corporation's Annual Report shall include (i) the Corporation's audited financial statements for the Fiscal Year ended on the previous June 30, prepared in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board, if available, or unaudited financial statements for such Fiscal Year, (ii) an update of the financial information and operating data contained in the Official Statement under the caption "The Corporation," (iii) the amount and type of the investments (and cash) in the accounts and subaccounts established in the Indenture, (iv) the outstanding principal balances of each maturity of the Bonds and the sinking fund installment amounts, as applicable, and (v) financial information and operating data with respect to any other series of Bonds.

If not provided as part of the Annual Report by the date required (as described above under "Provision of Annual Reports"), the Corporation shall provide audited financial statements, when and if available, to the MSRB.

Any or all of the items listed above may be incorporated by specific reference to other documents (i) available to the public on the MSRB Internet Web Site or (ii) filed with the SEC.

SECTION 5. Reporting of Significant Events.

This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies on the Bonds or any other bonds of the Corporation;
2. Non-payment related defaults under the Indenture and any supplemental indenture, if material;
3. Unscheduled draws on debt service reserve reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances of Bonds;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes for the Bonds;

12. Bankruptcy, insolvency, receivership or similar event[†] of the Corporation;
13. The consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a financial obligation[‡] of the Corporation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Corporation, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Corporation, any of which reflect financial difficulties.

Upon the occurrence of a Listed Event, the Corporation shall file a notice of such occurrence with the MSRB and the Trustee in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event. Each notice of a Listed Event hereunder shall indicate that it is a notice of a Listed Event.

SECTION 6. Termination of Reporting Obligation. The Corporation's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Corporation may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the Corporation under this Certificate, and revoke or modify any such designation.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Certificate, the Corporation may amend this Certificate if the following conditions are met:

- (a) The amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof or a change in the identity, nature or status of the Corporation or the type of business conducted thereby;

[†] Note to Paragraph 12: For the purposes of the event identified in Paragraph 12 above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Corporation in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Corporation, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Corporation.

[‡] For the purposes of the events identified in Paragraphs (15) and (16) above, the term "financial obligation" means: (A) a debt obligation; (B) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(b) The Certificate, as amended, would have complied with the requirements of the Rule at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the beneficial owners of the Bonds as determined either by a party unaffiliated with the Corporation (such as Bond Counsel) or by approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of the Indenture.

The Corporation shall deliver a copy of any such amendment to the MSRB.

To the extent any amendment to this Certificate results in a change in the type of financial information or operating data provided pursuant to this Certificate, the first annual financial information provided thereafter will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 9. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 10. Default. Except as described in this paragraph, the provisions of this Certificate will create no rights in any other person or entity. The obligation of the Corporation to comply with the provisions of this Certificate are enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data, and notices, by any beneficial owner of Outstanding Bonds, or by the Trustee on behalf of the registered owners of Outstanding Bonds, or (ii) in the case of challenges to the adequacy of the financial statements, financial information, and operating data so provided, by the Trustee on behalf of the registered owners of Outstanding Bonds; provided, however, that the Trustee shall not be required to take any enforcement action except at the direction of the registered owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity. A default under this Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Certificate in the event of any failure of the Corporation or the Trustee to comply with this Certificate shall be an action to compel performance.

SECTION 11. Governing Law. This Certificate shall be construed and interpreted in accordance with the laws of the State of Alaska, and any suits and actions arising out of this Certificate shall be instituted in a court of competent jurisdiction in the State, provided that, to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

SECTION 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Corporation, and the registered owners and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____

ALASKA HOUSING FINANCE CORPORATION

By: _____
BRYAN D. BUTCHER
Chief Executive Officer/Executive Director

Exhibit A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Alaska Housing Finance Corporation (the "Corporation")

Name of Bond Issue: \$_____ Collateralized Bonds (Veterans Mortgage Program),
2024 First Series.

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that the Corporation has not provided an Annual Report with respect
to the above-named bond issue as required by the certificate of the Corporation.

Dated: _____

ALASKA HOUSING FINANCE CORPORATION

By: _____

FORM OF
CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Agreement”) is executed and delivered by the State of Alaska, acting by and through its State Bond Committee (the “State”) in connection with the issuance of \$_____ aggregate principal amount of Collateralized Bonds (Veterans Mortgage Program) 2024 First Series (the “Bonds”). The Bonds are being issued pursuant to an Indenture by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), dated as of October 1, 1999, as amended, and a 2024 First Series Supplemental Indenture thereto, by and between the Corporation and the Trustee, dated as of June 1, 2024 (collectively referred to herein as the “Indenture”). The State guarantees payment of principal of and interest on the Bonds. The State and the Trustee covenant and agree with the registered owners and beneficial owners of the Bonds as follows:

SECTION 1. Purpose of the Agreement. This Agreement is being executed and delivered by the State for the sole and exclusive benefit of the registered owners and beneficial owners of the Bonds.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the State pursuant to, and as described in, Sections 3 and 4 of this Agreement.

“Fiscal Year” shall mean the fiscal year of the State (currently the 12-month period ending June 30, as such fiscal year may be changed from time to time as required by State law).

“Listed Events” shall mean any of the events listed in Section 5 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Official Statement” shall mean the Corporation’s final Official Statement with respect to the Bonds, dated _____, 2024.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports.

(a) The State shall provide to the MSRB an Annual Report for the preceding Fiscal Year (commencing with the Fiscal Year ending June 30, 2024) which is consistent with the requirements of Section 4 of this Agreement. The Annual Report shall be provided not later than January 31 of each year the Bonds are outstanding, commencing January 31, 2025. The State may adjust the Report Date if the State changes its Fiscal Year, by providing written notice of the change of Fiscal Year and the new Report Date to the MSRB; provided that the new Report Date shall be seven months after the end of the new Fiscal Year, and provided further that the period between the final Report Date relating to the former Fiscal Year and the initial Report Date relating to the

new Fiscal Year shall not exceed one year in duration. At the same time the Annual Report is provided to the MSRB, the State shall provide the Annual Report to the Trustee. The Annual Report may be submitted as a single document or as separate documents constituting a package, and may cross-reference other information as provided in Section 4 of this Agreement; provided that the audited financial statements of the State may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report if not available by that date.

(b) If, within 15 Business Days after the date specified in subsection (a) for providing the Annual Report to the MSRB, the Trustee has not received a copy of the Annual Report, the Trustee shall contact the State to determine if the State is in compliance with subsection (a).

(c) If the Trustee is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Trustee shall send a notice to the MSRB in substantially the form attached as Exhibit A to this Agreement, subject to Section 9 of this Agreement.

SECTION 4. Content of Annual Reports. The State's Annual Report shall be substantially in the form of the Annual Comprehensive Financial Report for the Fiscal Year ending June 30, 2023, and the Alaska Public Debt 2023 - 2024 report (together, the "Annual Report"). The Annual Report shall contain historical operating data and financial information of the type contained in Appendix A to the Official Statement. The financial statements of the State contained in the Annual Report will be prepared in conformity with generally accepted accounting principles established by the Governmental Accounting Standards Board, if available, or unaudited financial statements for such year as in effect from time to time.

If not provided as part of the Annual Report by the date required (as described under "Provisions of Annual Reports"), the State shall provide audited financial statements, when and if available, to the MSRB.

Any or all of the items listed above may be incorporated by specific reference to other documents (i) available to the public on the MSRB Internet Web Site or (ii) filed with the SEC.

SECTION 5. Reporting of Significant Events.

This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies on the Bonds or any other bonds of the State;
2. Non-payment related defaults under the Indenture and any supplemental indenture, if material;
3. Unscheduled draws on debt service reserve reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other

material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances of Bonds;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes for the Bonds;
12. Bankruptcy, insolvency, receivership or similar event[†] of the State;
13. The consummation of a merger, consolidation, or acquisition involving the State or the sale of all or substantially all of the assets of the State, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a financial obligation[‡] of the State, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the State, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the State, any of which reflect financial difficulties.

Upon the occurrence of a Listed Event, the State shall as soon as possible file notice of such occurrence with the MSRB and the Trustee in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event. Each notice of a Listed Event hereunder shall indicate that it is a notice of a Listed Event.

Notwithstanding the foregoing, no notice of a Listed Event need be given by the State if notice has theretofore been given by the Corporation.

[†] Note to Paragraph 12: For the purposes of the event identified in Paragraph 12 above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the State in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the State, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the State.

[‡] For the purposes of the events identified in Paragraphs (15) and (16) above, the term “financial obligation” means: (A) a debt obligation; (B) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

SECTION 6. Termination of Reporting Obligation. The State's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The State may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the State under this Agreement, and revoke or modify any such designation.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the State may amend this Agreement if the following conditions are met:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof or a change in the identity, nature or status of the State or the type of business conducted thereby;

(b) The Agreement, as amended, would have complied with the requirements of the Rule at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the beneficial owners of the Bonds as determined either by a party unaffiliated with the State (such as Bond Counsel) or by approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of the Indenture.

The State shall deliver a copy of any such amendment to the MSRB.

To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first annual financial information provided thereafter will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 9. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 10. Default. Except as described in this paragraph, the provisions of this Agreement will create no rights in any other person or entity. The obligation of the State to comply with the provisions of this Agreement are enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data, and notices, by any beneficial owner of Outstanding Bonds, or by the Trustee on behalf of the registered owners of Outstanding Bonds, or (ii) in the case of challenges to the adequacy of the financial statements, financial information, and operating data so provided, by the Trustee on behalf of the registered owners of Outstanding Bonds; provided, however, that the Trustee shall not be required to take any enforcement action except at the direction of the registered owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity. A default under this Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Agreement in the event of any failure of the State or the Trustee to comply with this Agreement shall be an action to compel performance.

SECTION 11. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Alaska, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State, provided that, to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

SECTION 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Corporation, the State, and the registered owners and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: _____

STATE OF ALASKA

By: _____

Deputy Commissioner
Department of Revenue

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION
as Trustee

By _____

Vice President

Exhibit A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Alaska Housing Finance Corporation (the "Corporation")

Name of Bond Issue: \$_____ Collateralized Bonds (Veterans Mortgage Program),
2024 First Series

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that _____ as
required by the agreement between the State and the Trustee.

Dated: _____

STATE OF ALASKA

By: _____

APPENDIX E

OFFICIAL NOTICE OF SALE

\$60,000,000*

**Alaska Housing Finance Corporation
Collateralized Bonds
(Veterans Mortgage Program)
2024 First Series (Non-AMT)**

NOTICE IS HEREBY GIVEN that the Alaska Housing Finance Corporation (the “Corporation”) will receive electronic bids for the purchase of its Collateralized Bonds (Veterans Mortgage Program), 2024 First Series (the “Bonds”) until 11:00 a.m. prevailing Eastern Time (7:00 a.m. Alaska) on July 9, 2024 (unless postponed as described herein), exclusively through the competitive BiDCOMP/PARITY® Electronic Bid Submission System (“Parity”).

Bidders are invited to submit bids pursuant to the terms set forth herein and may not bid for less than all the Bonds.

TERMS OF SALE

Interest. All Bonds of the same maturity must bear interest from the date of issue until the stated maturity date at a single interest rate. Bidders are invited to name the rate(s) of interest per annum to be borne by the Bonds, provided that each rate bid must be a multiple of 1/8 of 1% or 1/20 of 1%. The highest rate bid for the Bonds shall not exceed the lowest rate bid by more than four percent (4%). No interest rate bid for the Bonds shall exceed six percent (6%).

Bid Parameters. No bid for the Bonds shall be at a price of less than ninety-nine percent (99%) or more than one hundred percent (100%) of the aggregate maturing principal amount of such Bonds (based on Revised Amounts as described below) for which a bid is submitted.

Undertakings of the Successful Bidder. By submitting its bid, each bidder agrees that, if it is awarded the Bonds of a Series, it will provide the initial offering prices and certification thereof as described under the caption “Establishment of Issue Price” in this Official Notice of Sale. The successful bidder of the Bonds must, by email delivery within 24 hours after notification of the award, furnish the following information to the Chief Financial Officer/Finance Director of the Corporation to complete the hereinafter defined Preliminary Official Statement in final form (the “Final Official Statement”):

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all Bonds are sold at the expected offering prices).
- B. The identity of the underwriters if such successful bidder is part of a group or syndicate.
- C. Any other material information that the Chief Financial Officer/Finance Director determines is necessary to complete the Final Official Statement.

* Preliminary, subject to change.

The Bonds are offered pursuant to a Preliminary Official Statement dated June 27, 2024 (the “Preliminary Official Statement”). A Final Official Statement for the Bonds will be completed prior to the issuance of the Bonds. After the award of the Bonds, the Corporation will prepare copies of the Final Official Statement and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request; provided, however, that the Corporation will not include in the Final Official Statement a “not reoffered” (“NRO”) designation with respect to any maturity of the Bonds. The successful bidder will be responsible to the Chief Financial Officer/Finance Director in all aspects for the accuracy and completion of information provided by such successful bidder with respect to such reoffering.

The Corporation expects the successful bidder for the Bonds to deliver copies of such Final Official Statement to persons to whom such bidder initially sells such Bonds and to the Municipal Securities Rulemaking Board (“MSRB”). Such successful bidder will be required to acknowledge receipt of such Final Official Statement, to certify that it has made delivery of the Final Official Statement to the MSRB, to acknowledge that the Corporation expects such successful bidder to deliver copies of such Final Official Statement to persons to whom such bidder initially sells such Bonds and to certify that the Bonds will only be offered pursuant to the Final Official Statement and only in states where the offer is legal.

Bidding Options. (A) Bidders may indicate that the Bonds maturing in one or more of the years stated in the schedules below (the “Principal Payment Schedule”) are to be (1) “Serial Bonds” or (2) “Term Bonds,” with the amounts stated under the column titled “Principal Amounts” to be fixed as installments (“Sinking Fund Installments”) for the Term Bonds stated. The Sinking Fund Installments stated must equal the aggregate principal amount of the Term Bonds to which the Sinking Fund Installments correspond. No more than five (5) Term Bonds will be allowed. Subject to modification by the Corporation as described herein, the Bonds shall mature or be retired by Sinking Fund Installments semiannually on June 1 and December 1 of each year in the amounts set forth below.

\$60,000,000*
2024 FIRST SERIES

PRINCIPAL PAYMENT SCHEDULE*

<u>Date</u>	<u>Principal Amount*</u>	<u>Date</u>	<u>Principal Amount*</u>
June 1, 2027	\$620,000	June 1, 2041	\$1,065,000
December 1, 2027	630,000	December 1, 2041	1,090,000
June 1, 2028	640,000	June 1, 2042	1,115,000
December 1, 2028	650,000	December 1, 2042	1,140,000
June 1, 2029	665,000	June 1, 2043	1,165,000
December 1, 2029	675,000	December 1, 2043	1,190,000
June 1, 2030	685,000	June 1, 2044	1,220,000
December 1, 2030	700,000	December 1, 2044	1,245,000
June 1, 2031	710,000	June 1, 2045	1,275,000
December 1, 2031	725,000	December 1, 2045	1,305,000
June 1, 2032	740,000	June 1, 2046	1,335,000
December 1, 2032	755,000	December 1, 2046	1,370,000
June 1, 2033	765,000	June 1, 2047	1,400,000
December 1, 2033	780,000	December 1, 2047	1,435,000
June 1, 2034	795,000	June 1, 2048	1,470,000
December 1, 2034	810,000	December 1, 2048	1,505,000
June 1, 2035	830,000	June 1, 2049	1,540,000
December 1, 2035	845,000	December 1, 2049	1,575,000
June 1, 2036	860,000	June 1, 2050	1,615,000
December 1, 2036	880,000	December 1, 2050	1,655,000
June 1, 2037	895,000	June 1, 2051	1,695,000
December 1, 2037	915,000	December 1, 2051	1,735,000
June 1, 2038	935,000	June 1, 2052	1,775,000
December 1, 2038	955,000	December 1, 2052	1,820,000
June 1, 2039	975,000	June 1, 2053	1,865,000
December 1, 2039	995,000	December 1, 2053	1,910,000
June 1, 2040	1,020,000		
December 1, 2040	1,040,000		

**Preliminary, subject to change.*

The preliminary aggregate principal amount of the Bonds, the preliminary principal amount of each maturity of the Bonds, and the preliminary principal amount of each Sinking Fund Installment as set forth above in the Principal Payment Schedule (the “Preliminary Aggregate Principal Amount,” the “Preliminary Principal Amounts,” and the “Preliminary Sinking Fund Amounts,” respectively; collectively, the “Preliminary Amounts”), and the allocation of the Mortgage Loan repayments and prepayments to redeem Bonds as described in the Preliminary Official Statement (the “Preliminary Prepayment Redemption Provisions”), may be revised in accordance with the procedures set forth below under “ELECTRONIC BIDDING AND BIDDING PROCEDURES—Modification.” Any such revisions (the “Revised Aggregate Principal Amount,” the “Revised Principal Amounts,” the “Revised Sinking Fund Amounts” (collectively, the “Revised Amounts”) and the “Revised Prepayment Redemption Provisions,” respectively) will be published via Parity no later than 9:00 a.m. prevailing Eastern Time on the bid date. In the event that no

such revisions are made, the Preliminary Amounts will constitute the Revised Amounts and the Preliminary Prepayment Redemption Provisions will constitute the Revised Prepayment Redemption Provisions. Bidders shall submit bids based on the Revised Amounts and Revised Prepayment Redemption Provisions, and the Revised Amounts and Revised Redemption Provisions will be used to compare bids and to select the successful bidder.

After selecting the successful bidder, the Corporation will determine the final aggregate principal amount, the final principal amount of each maturity of the Bonds and the final amount of each Sinking Fund Installment (the “Final Aggregate Principal Amount,” the “Final Principal Amounts” and the “Final Sinking Fund Amounts,” respectively; collectively, the “Final Amounts”). In determining the Final Amounts, the Corporation will not adjust the Revised Aggregate Principal Amount by more than 15%. All bids remain firm until 4:00 p.m. prevailing Eastern Time on the date of the receipt of the bids. The dollar amount bid by the successful bidder will be adjusted proportionately to reflect any change in the aggregate principal amount of the Bonds. The interest rates and prices specified by the successful bidder for each maturity of the Bonds will not change.

Form of Bonds. The Bonds will be delivered in Book-Entry Form through the facilities of The Depository Trust Company (“DTC”) against payment of the purchase price thereof in Federal Reserve Bank Funds.

Dated Date. The Bonds will be dated the date of delivery (the “Dated Date”).

Payment of Principal and Interest. Interest with respect to the Bonds will be payable semiannually on each June 1 and December 1, beginning December 1, 2024, until the Bonds are paid or redeemed in full.

Principal on the Bonds will be payable at maturity or upon earlier redemption to the registered owners upon presentation at the office of U.S. Bank Trust Company, National Association, as Trustee under an Indenture dated as of October 1, 1999, as amended, and a proposed Supplemental Indenture dated as of June 1, 2024, which will secure the Bonds (together, the “Indenture”).

Authorization and Purpose. The Bonds will be issued by the Corporation pursuant to Chapter 56 of Title 18 of the Alaska Statutes and Chapter 46, SLA 2010, to finance the acquisition of homes for qualified veterans residing in Alaska. The issuance of the Bonds was authorized by resolution of the Corporation’s Board of Directors on [April 24, 2024], and by a bond proposition permitting and providing for a guarantee of the Bonds by the State of Alaska (the “State”), which passed in a public election held in the State on November 2, 2010. A total of \$3,300,000,000 of bonds have been authorized pursuant to such bond propositions and a total of \$2,765,285,000 has been previously issued by the Corporation under such authorizations (excluding the Bonds), of which \$88,845,000 is outstanding as of February 29, 2024.

Security for the Bonds. The Bonds will be general obligations of the Corporation for which its full faith and credit will be pledged, subject to agreements made with the holders of other obligations of the Corporation pledging particular revenues and assets. The Bonds will be primarily secured by mortgage loans originated by qualified lending institutions in the State and subsequently purchased by the Corporation under its Veterans Mortgage Program and/or mortgage-backed certificates acquired in exchange for certain such mortgage loans (collectively, the “Pledged Program Obligations”). The Corporation’s right, title and interest in the Pledged Program Obligations, together with the payments thereon (the “Pledged Revenues”), will be assigned to the Trustee under the Indenture along with all assets held in any fund or account established under the Indenture.

Payment of principal and interest on the Bonds is unconditionally guaranteed by, and secured by the general obligation of, the State.

The Indenture must be consulted for a complete description of the security for the Bonds.

Redemption. The Bonds are subject to optional redemption and special redemption, including redemption at par, as set forth in the Indenture and Preliminary Official Statement, subject to change as set forth in the Revised Prepayment Redemption Provisions.

ELECTRONIC BIDDING AND BIDDING PROCEDURES

Registration to Bid. All prospective bidders must be contracted customers of Parity. By submitting a bid for the Bonds, a prospective bidder represents and warrants to the Corporation that such bidder's bid for the purchase of such Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of such Bonds.

If any provisions of this Official Notice of Sale shall conflict with information provided by Parity, this Official Notice of Sale shall control. Further information about Parity, including fees charged and becoming a contracted customer, may be obtained directly from Parity at (212) 404-8102.

Disclaimer. Each prospective bidder shall be solely responsible to register to bid via Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the Corporation nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Corporation nor Parity shall be responsible for a bidder's failure to register to bid or for proper operation of Parity, or have any liability for any delays or interruptions of, or any damages caused by Parity. The Corporation is using Parity as a communication mechanism, and not as the Corporation's agent, to conduct the electronic bidding for the Bonds. The Corporation is not bound by any advice and determination of Parity to the effect that any particular bid complies with the terms and specifications of this Official Notice of Sale and in particular the "Bid Parameters" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via Parity are the sole responsibility of the bidders; the Corporation is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for Bonds, it should telephone Parity Product Support at (212) 849-5021 and notify the Chief Financial Officer/Finance Director of the Corporation at (907) 330-8366.

Bidding Procedures. Bids must be submitted electronically for the purchase of the Bonds (all or none) by means of the Alaska Housing Finance Corporation AON Bid Form (the "Bid Form") via Parity by 11:00 a.m., prevailing Eastern Time, on July 9, 2024, unless postponed as described herein (see "Change of Bid Date and Closing Date"). Prior to that time, a prospective bidder may input and save proposed terms of its bid in Parity. Once the final bid has been saved in Parity, the bidder may select the final bid button in Parity to submit the bid to Parity. Once the bids are communicated electronically via Parity to the Corporation, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on Parity shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost ("TIC") to the Corporation, based upon the rate or rates of interest and the bid price specified in their respective bids as described below under "Bid Procedure and Basis of Award".

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via Parity. No bid will be received after the time for receiving such bids specified above.

Bid Procedure and Basis of Award. Subject to the right reserved to the Corporation to reject any or all bids, the Bonds will be awarded to the bidder whose bid produces the lowest TIC and otherwise complies with this Official Notice of Sale. The TIC for the Bonds will be determined by doubling that semiannual interest rate, compounded semiannually, necessary to discount the semiannual debt service payments from the payment dates to the dated date of the Bonds and to the aggregate purchase price.

Bids shall be retrieved, reviewed and publicly approved by the Corporation within 30 minutes of the deadline for the receipt of bids on July 9, 2024. Bids must remain valid until at least 4:00 p.m. prevailing Eastern Time, on July 9, 2024, and, if accepted by the Corporation prior to such time, shall be irrevocable except as otherwise provided in this Official Notice of Sale.

Change of Bid Date and Closing Date. The Corporation expects to take bids on the Bonds on July 9, 2024. However, the Corporation reserves the right to change, from time to time, the date or time established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on Parity not later than 9:00 a.m. prevailing Eastern Time on the day fixed for the receipt of bids. In such instance, an alternative sale date and time will be announced via Parity at least 20 hours prior to such alternative date and time for receipt of bids.

The Corporation may change the scheduled delivery date for the Bonds by notice given in the same manner as that set forth for a change in the date for the receipt of bids. See “Delivery and Payment” hereinafter.

The reset sale notice may state different terms and conditions of sale and may refer to this notice for any or all terms of sale. All bidders will be deemed to have assented to the above conditions by submitting a bid, and lack of actual notice of the postponement or of the reset terms of sale will not be considered.

Delivery and Payment. It is anticipated that the Bonds, in definitive form, will be available for delivery on July 30, 2024 (“Date of Issuance”), through DTC in New York, New York. Full payment of the balance of the purchase price for the Bonds must be made to the Corporation by the successful bidder(s) in Federal Reserve Funds or other immediately available funds without cost to the Corporation at the time of delivery of the Bonds. The Bonds will be delivered in Book-Entry Form with DTC named as depository.

Establishment of Issue Price. The winning bidder shall assist the Corporation in establishing the issue price of the Bonds and shall execute and deliver to the Corporation at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of such Bonds, together with the supporting pricing wires or equivalent communications, in a form satisfactory to the Corporation and Bond Counsel. All actions to be taken by the Corporation under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Corporation by its municipal advisor, Masterson Advisors LLC, and any notice or report to be provided to the Corporation may be provided to the Corporation’s municipal advisor.

The Corporation intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds, and referenced hereafter as the “Competitive Sale Requirements”) will apply to the initial sale of the Bonds because:

(1) the Corporation shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(2) all bidders shall have an equal opportunity to bid;

(3) the Corporation may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the Corporation anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase such Bonds at the lowest TIC, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the Competitive Sale Requirements are not satisfied with respect to the Bonds, the Corporation shall so advise the applicable winning bidder. The Corporation may determine to treat (i) the price or prices at which the first 10% of a maturity of the Bonds is sold to the public (the “10% Test”) as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “Hold-The-Offering-Price Rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the Corporation if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The Corporation shall promptly advise the winning bidders, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% Test or shall be subject to the Hold-The-Offering-Price Rule. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold-The-Offering-Price Rule in order to establish the issue price of the Bonds.

By submitting a bid, the winning bidder shall (i) confirm that it and any other underwriters participating in the purchase of the Bonds have offered or will offer the Bonds to the public on or before the date of award at the initial offering price, or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of itself and any other underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-The-Offering-Price Rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Corporation when the underwriters have sold 10% of that maturity of the Bonds to the public at a price or prices that are no higher than the initial offering price to the public if that occurs prior to the close of the fifth (5th) business day after the sale date.

If the Competitive Sale Requirements are not satisfied with respect to the Bonds, then, until the 10% Test has been satisfied as to each maturity of the Bonds, the applicable winning bidder agrees to promptly report to the Corporation the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Date of Issuance has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% Test has been satisfied as to the Bonds

of that maturity, provided that the winning bidder's reporting obligation after the Date of Issuance may be at reasonable periodic intervals or otherwise upon request of the Corporation or Bond Counsel.

The Corporation acknowledges that, in making the representations set forth above, each winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to such Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Corporation further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to the Bonds.

By submitting a bid, each bidder confirms that:

(i) it has an established industry reputation for underwriting new issuances of municipal bonds.

(ii) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it, whether or not the Date of Issuance has occurred, until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, provided that the reporting obligations after the Date of Issuance may be at reasonable periodic intervals or otherwise upon the request of the winning bidder, and/or (ii) comply with the Hold-The-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires,

(B) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(iii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it, whether or not the Date of Issuance has occurred, until it is notified by the winning bidder or such underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, provided that the reporting obligations after the Date of Issuance may be at reasonable periodic intervals or otherwise upon the request of the winning bidder and/or (B) comply with the Hold-The-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter of such Bonds shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Corporation (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date that the Bonds are awarded by the Corporation to the winning bidder.

Tax-Exempt Status. In the event that prior to the delivery of the Bonds any federal income tax law is enacted or proposed with application to the Bonds which will have a substantial adverse effect upon holders of the Bonds as such, a successful bidder may, at its option, prior to the delivery of the Bonds by the Corporation, be relieved of its obligation. In the opinion of Bond Counsel, under existing statutes and court decisions, (i) interest on the Bonds is excludable from gross income for federal income tax purposes; and (ii) interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals under the Code. A more complete statement of tax exemption is included in the Preliminary Official Statement.

[Bond Ratings.] Standard & Poor’s Ratings Services (“S&P”) has assigned a rating of “AAA” to the Bonds, and Moody’s Investors Service, Inc. (“Moody’s”) has assigned a rating of “Aaa” to the Bonds.]

Legal Opinion. The legal opinion of Kutak Rock LLP, Bond Counsel, will be furnished to the successful bidders without cost.

CUSIP Numbers. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by a successful bidder to accept delivery of and pay for the Bonds.

Preliminary and Final Official Statement. The Preliminary Official Statement is available in electronic format at the Corporation’s website (<https://www.ahfc.us/pros/investors/bonds-official-statements>) and at <http://www.MuniOS.com>. All bidders must review the Preliminary Official Statement and certify that they have done so prior to participating in the bidding. The Corporation shall provide a successful bidder with a reasonable number of copies of the Final Official Statement within seven (7) business days following the date of acceptance of the bid.

Continuing Disclosure Undertaking. In order to assist bidders in complying with SEC Rule 15c2-12(b)(5), the Corporation and the State will undertake to provide certain annual financial information and notices of certain events with respect to the Bonds, if material. A description of these undertakings is set forth in the Preliminary Official Statement and will be set forth in the Final Official Statement.

Modification. The Corporation reserves the right to modify any terms of this Official Notice of Sale or the Preliminary Official Statement via notification published on Parity no later than 9:00 a.m., prevailing Eastern Time, on July 9, 2024 (or, in the event of a change in bid date or time in accordance herewith, the day prior to the reset bid date).

Additional Information. The Preliminary Official Statement is in a form which the Corporation deems final as of June 27, 2024, for purposes of SEC Rule 15c2-12, but is subject to revision, amendment, and completion in the Final Official Statement, as set forth in SEC Rule 15c2-12(b)(3). Electronic copies of the Preliminary Official Statement, the Indenture, and this Official Notice of Sale may be obtained from Masterson Advisors, LLC, by email at kayla.macewen@mastersonadvisors.com or by phone at (646) 483-4941.

Michael Strand
Chief Financial Officer/Finance Director
Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, Alaska 99504
(907) 330-8366

Dated: June 27, 2024

**2024 FIRST SERIES
SUPPLEMENTAL INDENTURE**

between

ALASKA HOUSING FINANCE CORPORATION

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

relating to

**[\$60,000,000]
Collateralized Bonds
(Veterans Mortgage Program)
2024 First Series**

Dated as of [June 1, 2024]

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS

Section 101.	Definitions.....	2
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ARTICLE II AUTHORIZATION, TERMS AND ISSUANCE

Section 201.	Authorization, Principal Amount, Designation and Series, and Book-Entry.....	3
Section 202.	Purposes	3
Section 203.	Date and Numbering of Bonds	3
Section 204.	Maturities and Interest Rates; Other Terms	3
Section 205.	Optional Redemption at the Election of the Corporation	5
Section 206.	Sinking Fund Redemptions.....	5
Section 207.	Special Redemption	7
Section 208.	Credit Enhancement.....	8
Section 209.	Creation of Funds; Disposition of Proceeds and Other Amounts; Recycling	8
Section 210.	Form of Bonds	9
Section 211.	Tender Provisions	9
Section 212.	Capitalized Interest Subaccount.....	9
Section 213.	Purchase of Bonds.....	9

ARTICLE III MISCELLANEOUS

Section 301.	Counterparts.....	9
Section 302.	Applicable Law	9
Section 303.	Table of Contents and Section Headings Not Controlling.....	9
Section 304.	Effective Date	10

EXHIBIT A	FORM OF BOND	
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SUPPLEMENTAL INDENTURE

THIS SUPPLEMENTAL INDENTURE is made and entered into as of [June 1, 2024] (the “Supplemental Indenture”) by and between the **ALASKA HOUSING FINANCE CORPORATION**, a public corporation and government instrumentality created and existing under the laws of the State of Alaska (the “Corporation”), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as trustee (the “Trustee”).

W I T N E S S E T H :

WHEREAS, the Corporation and the Trustee have entered into an Indenture dated as of October 1, 1999, as amended (the “Indenture”), to secure issues of the Corporation’s Collateralized Bonds; and

WHEREAS, under the terms of the Indenture, the Corporation and the Trustee may enter into a supplemental indenture from time to time to authorize the issuance of one or more series of the Corporation’s Collateralized Bonds; and

WHEREAS, it is the purpose of this Supplemental Indenture to authorize the issuance of the Corporation’s Collateralized Bonds (Veterans Mortgage Program), 2024 First Series, in the aggregate principal amount of \$[60,000,000] (the “2024 Bonds”); and

WHEREAS, the Corporation intends to use the proceeds of the 2024 Bonds to provide funds to acquire qualified veterans mortgage loans, or reimburse the Corporation for having done so; and

WHEREAS, the Corporation is authorized to issue its 2024 Bonds for such purposes; and

WHEREAS, all conditions, things, and acts required by the Constitution and statutes of the State of Alaska to exist, happen, and be performed precedent to and in connection with the issuance of the 2024 Bonds exist, have happened, and have been performed in due time, form, and manner as required by law, and the Corporation is now duly authorized and empowered, pursuant to each and every requirement of law, to issue the 2024 Bonds for the purpose, in the manner, and upon the terms herein and in the Indenture provided; and

WHEREAS, in order to provide for the authentication and delivery of the 2024 Bonds, to establish and declare the terms and conditions upon which the 2024 Bonds are to be issued and secured, and to secure the payment of the principal thereof and of the interest thereon, the Corporation has authorized the execution and delivery of this Supplemental Indenture; and

WHEREAS, the 2024 Bonds and the Trustee’s certificate of authentication are to be in substantially the form set forth in Exhibit A hereto with necessary and appropriate variations, omissions, and insertions as permitted or required by the Indenture or this Supplemental Indenture, including changes determined to be necessary in the event the 2024 Bonds are taken out of the Book-Entry System; and

WHEREAS, all acts and proceedings required by law and otherwise necessary to make the 2024 Bonds, when executed and duly issued by the Corporation and authenticated and delivered by the Trustee, the valid, binding, and legal obligations of the Corporation, and to constitute the Indenture and this Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of the Indenture and this Supplemental Indenture have been in all respects duly authorized; and

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the interest on, all the 2024 Bonds at any time issued and outstanding under this Supplemental Indenture and any other bonds issued or that may be issued under the Indenture, according to their tenor, and to secure the performance and observance of all the covenants therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2024 Bonds are to be issued and received, and for and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2024 Bonds by the holders thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Corporation covenants and agrees with the Trustee, for the benefit of the respective holders from time to time of the 2024 Bonds and any other bonds issued or that may be issued under the Indenture, as follows:

ARTICLE I

DEFINITIONS

Section 101. Definitions. In this Supplemental Indenture, unless the context clearly requires otherwise, the following words and terms shall have the meanings set forth in this Section:

“Additional Bonds” means any Series of Bonds issued following the date hereof on parity with the Bonds issued and Outstanding under the Indenture.

“Authorized Denominations” means \$5,000 or integral multiples thereof.

“Business Day” means any day other than (a) a Saturday or a Sunday, or (b) a day on which banking institutions in New York, New York or in the State of Washington are authorized or required by law or executive order to close, or (c) a day on which the New York Stock Exchange is closed.

“Indenture” has the meaning assigned in the recitals hereto.

“Interest Payment Date” means each June 1 and each December 1, commencing December 1, 2024.

“Original Issue Price” means, with respect to the 2024 Bonds, the principal amount of such Bonds multiplied by 100%.

“Record Date” means the twentieth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day.

“*Series*” means the 2024 Bonds.

“*Tax Certificate*” means the Arbitrage and Use of Proceeds Certificate dated [June __], 2024 relating to the 2024 Bonds.

“*2024 Bonds*” has the meaning assigned in the recitals hereto.

“*2024 Bonds Mortgage Loans*” shall mean Mortgage Loans financed by the Corporation with proceeds of the 2024 Bonds.

Unless otherwise defined in this Supplemental Indenture, any capitalized term used in this Supplemental Indenture shall have the meaning ascribed thereto in the Indenture.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE

Section 201. Authorization, Principal Amount, Designation and Series, and Book-Entry. As authorized in the Indenture, the 2024 Bonds are hereby authorized to be issued. The 2024 Bonds are hereby authorized and designated as the “Collateralized Bonds (Veterans Mortgage Program), 2024 First Series” in the aggregate principal amount of \$[60,000,000]. The Corporation is of the opinion and hereby determines that the issuance of the 2024 Bonds in said amount is necessary to provide sufficient funds to be used and expended for the purposes specified herein.

Section 202. Purposes. Proceeds of the 2024 Bonds will be used to provide funds to make deposits into the Bond Proceeds Account, and to provide sufficient funds for the Program. The foregoing purpose is a valid public purpose for the issuance of the 2024 Bonds. To achieve this purpose, proceeds of the 2024 Bonds shall be deposited as provided in Section 209 of this Supplemental Indenture.

Section 203. Date and Numbering of Bonds. The 2024 Bonds shall be dated as of their date of delivery and shall be lettered and numbered consecutively from V-1 upward.

Section 204. Maturities and Interest Rates; Other Terms.

(a) The 2024 Bonds shall mature on the following dates in the following principal amounts and shall bear interest at the rate per annum set forth opposite such maturity, payable semiannually on each Interest Payment Date:

**[\$60,000,000]
2024 First Series**

\$[] Serial Bonds

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
June 1, 2027	\$[]	[]%	June 1, 2035	\$[]	[]%
December 1, 2027			December 1, 2035		
June 1, 2028			June 1, 2036		
December 1, 2028			December 1, 2036		
June 1, 2029			June 1, 2037		
December 1, 2029			December 1, 2037		
June 1, 2030			June 1, 2038		
December 1, 2030			December 1, 2038		
June 1, 2031			June 1, 2039		
December 1, 2031			December 1, 2039		
June 1, 2032			June 1, 2040		
December 1, 2032			December 1, 2040		
June 1, 2033			June 1, 2041		
December 1, 2033			December 1, 2041		
June 1, 2034			June 1, 2042		
December 1, 2034			December 1, 2042		

\$[] []% Term Bonds due December 1, [2044]

\$[] []% Term Bonds due December 1, [2046]

\$[] []% Term Bonds due December 1, [2048]

\$[] []% Term Bonds due December 1, [2050]

\$[] []% Term Bonds due December 1, [2052]

(b) Interest with respect to the 2024 Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. The 2024 Bonds shall be issued only in Authorized Denominations.

(c) Interest on the 2024 Bonds is intended to be excludable from gross income for federal income tax purposes pursuant to Section 103(a) of the Code or any successor statute thereto.

(d) The principal or Redemption Price of the 2024 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender of such 2024 Bonds at the corporate trust office of the Trustee or at the corporate trust office of any successor Trustee.

Interest on the 2024 Bonds shall be payable on each Interest Payment Date in lawful money of the United States of America to the person whose name appears on the Bond registration books of the Registrar as the registered owner thereof as of the close of business on the Record Date, such interest to be paid by check mailed on the date such interest is due to the registered owner at

its address as it appears on such registration books or at such other address as may have been filed with the Registrar for such purpose.

Each payment of principal of or interest on 2024 Bonds, whether by check or wire transfer, shall be accompanied by information specifying, with respect to which such payment is being made, the amount and the CUSIP number (if available) of such 2024 Bonds.

Section 205. Optional Redemption at the Election of the Corporation.

(a) The 2024 Bonds maturing on or after June 1, 2034, are subject to redemption, on any date on or after December 1, 2033, in whole or in part, of any maturity (or any interest rate within a maturity) as directed by the Corporation, at the option of the Corporation, from any source of funds, at a price equal to the Original Issue Price of the 2024 Bonds to be so redeemed plus accrued interest to the redemption date.

(b) If less than all of the 2024 Bonds of a particular maturity bearing the same interest rate (and otherwise of like tenor) are to be redeemed, the particular 2024 Bonds of such maturity bearing the same interest rate (and otherwise of like tenor) to be redeemed shall be selected by the Trustee by lot, using such method of selection as it deems proper in its discretion.

Section 206. Sinking Fund Redemptions.

(a) The 2024 Bonds maturing on December 1, [2044], are subject to redemption and shall be redeemed on the following dates in the principal amount set forth opposite such date at a redemption price equal to 100% of the principal amount of such 2024 Bonds to be so redeemed plus accrued interest to the date of such redemption:

Redemption Date	Principal Amount
June 1, 2043	\$[]
December 1, 2043	
June 1, 2044	
December 1, 2044*	

*Maturity

(b) The 2024 Bonds maturing on December 1, [2046], are subject to redemption and shall be redeemed on the following dates in the principal amount set forth opposite such date at a redemption price equal to 100% of the principal amount of such 2024 Bonds to be so redeemed plus accrued interest to the date of such redemption:

Redemption Date	Principal Amount
June 1, 2045	\$[]
December 1, 2045	
June 1, 2046	
December 1, 2046*	

*Maturity

(c) The 2024 Bonds maturing on December 1, [2048], are subject to redemption and shall be redeemed on the following dates in the principal amount set forth opposite such date at a redemption price equal to 100% of the principal amount of such 2024 Bonds to be so redeemed plus accrued interest to the date of such redemption:

Redemption Date	Principal Amount
June 1, 2047	\$[]
December 1, 2047	
June 1, 2048	
December 1, 2048*	

*Maturity

(d) The 2024 Bonds maturing on December 1, [2050], are subject to redemption and shall be redeemed on the following dates in the principal amount set forth opposite such date at a redemption price equal to 100% of the principal amount of such 2024 Bonds to be so redeemed plus accrued interest to the date of such redemption:

Redemption Date	Principal Amount
June 1, 2049	\$[]
December 1, 2049	
June 1, 2050	
December 1, 2050*	

*Maturity

(e) The 2024 Bonds maturing on December 1, [2052], are subject to redemption and shall be redeemed on the following dates in the principal amount set forth opposite such date at a redemption price equal to 100% of the principal amount of such 2024 Bonds to be so redeemed plus accrued interest to the date of such redemption:

Redemption Date	Principal Amount
June 1, 2051	\$[]
December 1, 2051	
June 1, 2052	
December 1, 2052*	

*Maturity

(f) Any redemption (other than a mandatory redemption from sinking fund payments) of the 2024 Bonds of a particular maturity shall be credited against future sinking fund payments for such maturity as directed by the Corporation.

Section 207. Special Redemption.

(a) *Redemption from Unexpended Proceeds.* The 2024 Bonds are redeemable, at the option of the Corporation, in whole or in part on a pro rata basis among all outstanding maturities of the 2024 Bonds unless the Corporation directs the Trustee otherwise, on any date on or after December 1, 2024 (which date shall be determined by the Corporation, subject to the provisions of, and in accordance with, the Indenture and when so determined or selected shall be deemed and is hereby set forth as the redemption date), from amounts in the Program Obligation Fund which have not been expended for the purchase of Program Obligations. Any 2024 Bonds redeemed under the terms of this subsection shall be redeemed at a price equal to the Original Issue Price of the 2024 Bonds to be so redeemed plus accrued interest to the redemption date. Amounts available to redeem the 2024 Bonds as set forth in this subsection may be applied at the direction of the Corporation to any maturity of the 2024 Bonds.

(b) *Redemption from Certain Amounts in the Redemption Fund.* The 2024 Bonds are redeemable, at the option of the Corporation, in whole or in part on a pro rata basis among all outstanding maturities of the 2024 Bonds unless the Corporation directs the Trustee otherwise, on any date beginning December 1, 2024, from amounts available for such purpose in the Redemption Fund. Such amounts may, at the discretion of the Corporation, include excess revenues relating to Mortgage Loans financed by the Corporation with proceeds of the 2024 Bonds, any previously issued Bonds, or any Additional Bonds and amounts in the Debt Service Account in excess of 2% of the outstanding balance of Mortgage Loans (exclusive of Mortgage Loans that have been exchanged for Mortgage Certificates). Amounts available to redeem the 2024 Bonds under the terms of this subsection may be applied at the direction of the Corporation to any maturity of the 2024 Bonds. Any 2024 Bonds redeemed under the terms of this subsection shall be redeemed at a price equal to 100% of their principal amount plus accrued interest to the redemption date. If the Corporation elects to redeem the 2024 Bonds other than on a pro-rata basis pursuant to this subsection, the Corporation shall file a Bond Coverage Certificate with the Trustee demonstrating Bond Coverage after giving effect to such redemptions. Notice shall be as provided in Article VI of the Indenture.

(c) *Redemption When 2024 Bonds Outstanding are 15% or Less of Initial Principal Amount.* The 2024 Bonds are redeemable, at the option of the Corporation, in whole on any date from any source of funds if the outstanding principal balance of the 2024 Bonds, reduced by any 2024 Bonds otherwise to be redeemed on such date pursuant to any other provision of this Supplemental Indenture, is less than or equal to 15% of the original aggregate principal amount thereof (\$[]). The 2024 Bonds so redeemed shall be redeemed at a price equal to 100% of the principal amount of each 2024 Bond so redeemed plus accrued interest to the redemption date. Notice shall be as provided in Article VI of the Indenture.

Section 208. Credit Enhancement. The 2024 Bonds will not be secured by any Credit Enhancement.

Section 209. Creation of Funds; Disposition of Proceeds and Other Amounts; Recycling.

(a) The Trustee shall create a 2024 Series Program Obligation Fund, a 2024 Series Revenue Fund, a 2024 Series Redemption Fund, a 2024 Series Rebate Fund, and a 2024 Series OCR Fund for the 2024 Bonds. Within the 2024 Series Program Obligation Fund, the Trustee shall establish a 2024 Series Bond Proceeds Account for the 2024 Bonds.

(b) The proceeds of sale of the 2024 Bonds (being the principal amount thereof equal to \$[]) plus original issue premium equal to \$[] shall be delivered to the Trustee who shall deposit such proceeds in the 2024 Series Bond Proceeds Account. The sum of \$[], from amounts in the 2024 Series Bond Proceeds Account, shall be used for the purchase of qualifying veterans mortgage loans. The Trustee shall pay by electronic funds transfer, without further authorization, in accordance with the electronic transfer instructions delivered to the Trustee, the sum of \$[], from amounts in the 2024 Series Bond Proceeds Account, to the Corporation to reimburse the Corporation for the purchase of mortgage loans and other Program Expenses permitted under the Indenture.

(c) The Corporation shall also transfer to the Trustee on the date of issuance of the 2024 Bonds from its own funds \$[] for deposit to the 2024 Series Bond Proceeds Account to reimburse it for underwriters' discount.

(d) Upon receipt of a Bond Coverage Certificate and written direction from the Corporation, the Trustee shall transfer from the General Account of the 2024 Series Redemption Fund to the Recycling Account of the 2024 Series Revenue Fund the amounts set forth in such direction. The Trustee shall make such transfer only if all other conditions to such transfer set forth in Paragraph Fourth of Section 505 of the Indenture are then satisfied.

(e) On any date on or after December 1, 2024 (which date shall be determined by the Corporation), any moneys then remaining in the applicable Bond Proceeds Account, from proceeds of the 2024 Bonds, unexpended for the purchase of Program Obligations,

shall be transferred pursuant to Section 503(A)(6) of the Indenture to the General Account of the 2024 Series Redemption Fund.

Section 210. Form of Bonds. The 2024 Bonds and the Trustee's certificate of authentication as to such 2024 Bonds are to be in substantially the forms thereof set out in Exhibit A attached hereto and made a part hereof with such necessary or appropriate variations, omissions, and insertions as are permitted by the Indenture. The execution of the certificate of authentication upon the 2024 Bond shall be conclusive evidence that the 2024 Bond so authenticated has been duly authenticated, executed, and delivered under the Indenture, including this Supplemental Indenture, and that the registered owner of the 2024 Bond is entitled to the benefits thereof.

Section 211. Tender Provisions. The 2024 Bonds will not include any tender or put options or the like.

Section 212. Capitalized Interest Subaccount. The 2024 Bonds will be issued without capitalized interest, and therefore, there will be no Capitalized Interest Subaccount for the 2024 Bonds.

Section 213. Purchase of Bonds.

(a) The Corporation may from time to time, prior to notice of redemption, purchase 2024 Bonds from moneys held for redemption at a price not in excess of the applicable Redemption Price plus accrued interest.

(b) Subject to applicable law, notwithstanding the maximum purchase price, if at any time the investment earnings on the moneys available for such purchase shall be less than the interest accruing on the 2024 Bond to be redeemed, then the Trustee may pay a purchase price for any such 2024 Bond in excess of the Redemption Price that would be payable on the next redemption date to the Owner of such 2024 Bond, if the Corporation certifies to the Trustee that the amount paid in excess of said Redemption Price is less than the interest that is to accrue on said 2024 Bond less any investment earnings on such available moneys for the period from the settlement date of the proposed purchase to the redemption date.

ARTICLE III

MISCELLANEOUS

Section 301. Counterparts. This Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 302. Applicable Law. This Supplemental Indenture shall be governed exclusively by the applicable laws of the State of Alaska.

Section 303. Table of Contents and Section Headings Not Controlling. The Table of Contents and the Headings of the several Sections of this Supplemental Indenture have been

prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Supplemental Indenture.

Section 304. Effective Date. This Supplemental Indenture shall take effect immediately.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Alaska Housing Finance Corporation has caused this Supplemental Indenture to be signed in its name by its Chief Executive Officer/Executive Director and U.S. Bank Trust Company, National Association, has caused this Supplemental Indenture to be signed in its corporate name by a Responsible Officer of the Trustee all as of the day and year first above written.

ALASKA HOUSING FINANCE
CORPORATION

By _____
Bryan D. Butcher
Chief Executive Officer/Executive Director

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By _____
Tom Zrust
Vice President

EXHIBIT A
FORM OF BOND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Corporation or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. V-_____

Principal Amount: \$_____

ALASKA HOUSING FINANCE CORPORATION
COLLATERALIZED BONDS
(VETERANS MORTGAGE PROGRAM)
2024 FIRST SERIES

Maturity Date: _____

CUSIP: _____

Registered Owner: Cede & Co.

Interest Rate: _____

Alaska Housing Finance Corporation (the “Corporation”), a public corporation and government instrumentality of the State of Alaska (the “State”) created and existing under and by virtue of the laws of the State, acknowledges itself indebted, and for value received hereby promises to pay to the Registered Owner set forth above or its registered assigns, the Principal Amount specified above, on the Maturity Date specified above, unless redeemed prior thereto as hereinafter provided, upon presentation hereof at the corporate trust office of U.S. Bank Trust Company, National Association, in Seattle, Washington, as Trustee (the “Trustee”), and any successor thereto under the 2024 First Series Supplemental Indenture dated as of [June 1, 2024], between the Corporation and the Trustee (the “Supplemental Indenture”), or at such other location designated by the Trustee and to pay interest on said principal sum to the registered owner of this Bond from December 1, 2024, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, until the Corporation’s obligation with respect to the payment of said principal sum shall be discharged, at the Interest Rate per annum specified above. Interest shall be payable beginning December 1, 2024, and thereafter on the first day of June and the first day of December of each year (each an “Interest Payment Date”); provided, however, that if any date on which interest on this Bond would otherwise be payable is not a Business Day, interest for the applicable period will be paid on the Business Day next following such date. Interest may be paid, at the option of the Corporation, by mailing a check on the Interest Payment Date for such interest payable to the person entitled thereto (such person being the registered owner of record on the Record Date, as defined herein, applicable to such Interest Payment Date) at such person’s address as it appears on the bond register of the Corporation as of the Record Date, except that a registered owner of \$1,000,000 or more in principal amount of Bonds shall be paid interest by wire transfer in immediately available funds

to an account in the United States if such holder makes a written request to the Trustee on or prior to the Record Date specifying such account information as the Trustee may require; provided, however, that while this Bond is held in a Book-Entry System, principal of and interest on this Bond shall be paid as provided in the hereinafter described Indenture. Payment shall be made in lawful money of the United States of America. The amount of interest to be paid is to be computed on the basis of a 360-day year consisting of twelve 30-day months.

The Record Date in respect of any Interest Payment Date on this Bond shall be the twentieth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day.

This Bond is one of the Bonds of the Corporation designated “Alaska Housing Finance Corporation Collateralized Bonds (Veterans Mortgage Program), 2024 First Series” (herein called the “2024 Bonds”), authorized to be issued in the aggregate principal amount of \$[60,000,000] under and pursuant to Chapters 55 and 56 of Title 18, Alaska Statutes, as amended (herein called the “Act”), and an Indenture by and between the Corporation and the Trustee, dated as of October 1, 1999, as amended (together with the Supplemental Indenture, the “Indenture”). As provided in the Indenture, the 2024 Bonds may bear interest at different rates and, subject to the provisions thereof, may otherwise vary. Capitalized terms used herein and not defined herein shall have the meaning assigned to such terms in the Indenture.

The payment of this Bond as to principal and interest according to its terms is unconditionally guaranteed by the State of Alaska. The full faith, credit and resources of the State of Alaska are pledged to the payment of the principal of and interest on this Bond and payment of the principal of and interest on this Bond is secured by the general obligation of the State of Alaska.

This Bond is one of the 2024 Bonds that are issued under the Indenture and shall be in minimum denominations of \$5,000 or any integral multiple thereof. Copies of the Indenture are on file at the office of the Corporation in Anchorage, Alaska, and at the office of the Trustee in Seattle, Washington, and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges and covenants securing the 2024 Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the 2024 Bonds with respect thereto and the terms and conditions upon which the 2024 Bonds have been issued and may be issued thereunder. To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture or any indenture amendatory thereof or supplemental thereto may be modified or amended by the Corporation, with the written consent (i) of the holders of at least two-thirds in principal amount of the Bonds then Outstanding or, in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the holders of at least two-thirds in principal amount of the Bonds of each Series so affected, and (ii) in case the modification or amendment changes the terms of any Sinking Fund Payment, of the holders of at least two-thirds in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Payment and Outstanding at the time such consent is given; except that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the Indenture. No such modification or amendment shall permit a

change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest rate thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the holder of such Bond. For certain purposes, the Indenture may be amended or modified without the consent of any holders of the 2024 Bonds. The holder of this Bond shall have no right to enforce the provisions of the Indenture, to institute action to enforce the provisions of the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of the 2024 Bonds issued thereunder and then outstanding, together with accrued interest thereon, may become or may be declared due and payable before the maturity thereof.

The 2024 Bonds are not transferable when held in a Book-Entry System except out of the Book-Entry System under the conditions described in the Indenture. This Bond is transferable, as provided in and subject to the limitations set forth in the Indenture, only upon the bond register of the Corporation maintained for that purpose at the office of the Trustee in Seattle, Washington, or at such other location designated by the Trustee upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new, fully registered Bond or Bonds in the same aggregate principal amount, and of the same maturity and interest rate, shall be authenticated and delivered to the transferee in exchange therefor as provided in the Indenture and upon the payment of charges, if any, as therein prescribed. The Corporation and the Trustee may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if any, hereof and interest due hereon and for all other purposes whatsoever.

Subject to any agreements heretofore or hereafter made with the persons who shall hold any other bonds or notes of the Corporation pledging any particular revenues or assets not pledged under the Indenture and the exclusion by the Act of a pledge of funds in the Housing Development Fund (as described in the Act), this Bond is a direct and general obligation of the Corporation, and the full faith and credit of the Corporation is hereby pledged to the payment of the principal or Redemption Price, if any, hereof and interest hereon.

The 2024 Bonds are subject to redemption prior to maturity as set forth in the Indenture.

Neither the members of the Corporation nor any person executing this Bond shall be personally liable hereon or shall be subject to any personal liability or accountability by reason of its execution.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee or its agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State and the Indenture to exist, to have happened and to have been performed precedent to and in connection with the issuance of this Bond exist, have happened, and have been performed in due time, form, and manner as required

by law and that the issue of the 2024 Bonds, together with all other indebtedness of the Corporation, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the Alaska Housing Finance Corporation has caused this Bond to be executed in its name by the manual signature of its Chief Executive Officer/Executive Director and its corporate seal to be affixed hereon, and attested by the manual signature of an Authorized Officer.

ALASKA HOUSING FINANCE
CORPORATION

By _____
Bryan D. Butcher
Chief Executive Officer/Executive Director

[SEAL]

ATTEST:

Michael Strand
Chief Financial Officer

GUARANTY BY THE STATE OF ALASKA

The payment of this Collateralized Bond (Veterans Mortgage Program), 2024 First Series, as to principal and interest according to its terms is hereby unconditionally guaranteed by the State of Alaska. The full faith, credit and resources of the State of Alaska are pledged to the payment of the principal and interest on this Bond, and the principal and interest on this Bond are secured by the general obligation of the State of Alaska.

IN WITNESS WHEREOF, the State of Alaska has caused this guaranty to be executed by the manual signature of the Governor of Alaska.

Michael J. Dunleavy
Governor
State of Alaska

FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the 2024 Bonds described in the within mentioned Supplemental Indenture and is one of the Collateralized Bonds (Veterans Mortgage Program), 2024 First Series of the Alaska Housing Finance Corporation.

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By _____
Tom Zrust
Vice President

Date of Authentication:

FORM OF ASSIGNMENT

For value received _____ hereby sells, assigns and transfers unto _____

(Please insert Social Security or other identifying number of Assignee)

(Please print or typewrite name and address, including ZIP code, of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration and transfer thereof, with full power of substitution in the premises.

Dated:

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular without alteration or enlargement or any changes whatever.

Signature Guaranteed

By _____
[Must be a member of the New York Stock Exchange or a bank]

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Certificate”) is executed and delivered by the Alaska Housing Finance Corporation (the “Corporation”) in connection with the issuance of \$[] aggregate principal amount of its Collateralized Bonds (Veterans Mortgage Program) 2024 First Series (the “Bonds”). The Bonds are being issued pursuant to an Indenture by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), dated as of October 1, 1999, as amended (the “Master Indenture”), and a 2024 First Series Supplemental Indenture thereto, by and between the Corporation and the Trustee dated as of June 1, 2024 (the “Supplemental Indenture”) (together with the Master Indenture, the “Indenture”). The Corporation covenants and agrees with the registered owners and the beneficial owners of the Bonds as follows:

SECTION 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Corporation for the sole and exclusive benefit of the registered owners and beneficial owners of the Bonds.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Corporation pursuant to, and as described in, Sections 3 and 4 of this Certificate.

“Fiscal Year” shall mean any twelve-month period ending on [June 30] or on such other date as the Corporation may designate from time to time.

“Listed Events” shall mean any of the events listed in Section 5 of this Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Certificate.

“Official Statement” shall mean the Corporation’s final Official Statement with respect to the Bonds, dated [], 2024.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports. The Corporation shall provide to the MSRB an Annual Report for the preceding Fiscal Year (commencing with the Fiscal Year ending June 30, 2024) which is consistent with the requirements of Section 4 of this Certificate. The Annual

Report shall be provided not later than 180 days after the Fiscal Year to which it relates. The Annual Report may be submitted as a single document or as separate documents constituting a package, and may cross-reference other information as provided in Section 4 of this Certificate; provided that the audited financial statements of the Corporation may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report if not available by that date. The Corporation shall, in a timely manner, file notice with the MSRB of any failure to file an Annual Report by the date specified in this Section 3. Such notice shall be in the form attached as Exhibit A to this Certificate, subject to Section 9 of this Certificate.

SECTION 4. Content of Annual Reports. The Corporation's Annual Report shall include (i) the Corporation's audited financial statements for the Fiscal Year ended on the previous June 30, prepared in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board, if available, or unaudited financial statements for such Fiscal Year, (ii) an update of the financial information and operating data contained in the Official Statement under the caption "The Corporation," (iii) the amount and type of the investments (and cash) in the accounts and subaccounts established in the Indenture, (iv) the outstanding principal balances of each maturity of the Bonds and the sinking fund installment amounts, as applicable, and (v) financial information and operating data with respect to any other series of Bonds.

If not provided as part of the Annual Report by the date required (as described above under "Provision of Annual Reports"), the Corporation shall provide audited financial statements, when and if available, to the MSRB.

Any or all of the items listed above may be incorporated by specific reference to other documents (i) available to the public on the MSRB Internet Web Site or (ii) filed with the SEC.

SECTION 5. Reporting of Significant Events.

This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies on the Bonds or any other bonds of the Corporation;
2. Non-payment related defaults under the Indenture and any supplemental indenture, if material;
3. Unscheduled draws on debt service reserve reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances of Bonds;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes for the Bonds;
12. Bankruptcy, insolvency, receivership or similar event[†] of the Corporation;
13. The consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a financial obligation[‡] of the Corporation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Corporation, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Corporation, any of which reflect financial difficulties.

Upon the occurrence of a Listed Event, the Corporation shall file a notice of such occurrence with the MSRB and the Trustee in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event. Each notice of a Listed Event hereunder shall indicate that it is a notice of a Listed Event.

[†] Note to Paragraph 12: For the purposes of the event identified in Paragraph 12 above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Corporation in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Corporation, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Corporation.

[‡] For the purposes of the events identified in Paragraphs (15) and (16) above, the term “financial obligation” means: (A) a debt obligation; (B) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

SECTION 6. Termination of Reporting Obligation. The Corporation's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Corporation may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the Corporation under this Certificate, and revoke or modify any such designation.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Certificate, the Corporation may amend this Certificate if the following conditions are met:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof or a change in the identity, nature or status of the Corporation or the type of business conducted thereby;

(b) The Certificate, as amended, would have complied with the requirements of the Rule at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the beneficial owners of the Bonds as determined either by a party unaffiliated with the Corporation (such as Bond Counsel) or by approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of the Indenture.

The Corporation shall deliver a copy of any such amendment to the MSRB.

To the extent any amendment to this Certificate results in a change in the type of financial information or operating data provided pursuant to this Certificate, the first annual financial information provided thereafter will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 9. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 10. Default. Except as described in this paragraph, the provisions of this Certificate will create no rights in any other person or entity. The obligation of the Corporation to comply with the provisions of this Certificate are enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data, and notices, by any beneficial owner of Outstanding Bonds, or by the Trustee on behalf of the registered owners of Outstanding Bonds, or (ii) in the case of challenges to the adequacy of the financial statements, financial information, and operating data so provided, by the Trustee on behalf of the registered owners of Outstanding Bonds; provided, however, that the Trustee shall not be required to take any enforcement action except at the direction of the registered owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity. A default under this Certificate shall not be deemed

an Event of Default under the Indenture, and the sole remedy under this Certificate in the event of any failure of the Corporation or the Trustee to comply with this Certificate shall be an action to compel performance.

SECTION 11. Governing Law. This Certificate shall be construed and interpreted in accordance with the laws of the State of Alaska, and any suits and actions arising out of this Certificate shall be instituted in a court of competent jurisdiction in the State, provided that, to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

SECTION 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Corporation, and the registered owners and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: [June ____], 2024.

ALASKA HOUSING FINANCE CORPORATION

By: _____
BRYAN D. BUTCHER
Chief Executive Officer/Executive Director

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Alaska Housing Finance Corporation (the “Corporation”)

Name of Bond Issue: \$[] Collateralized Bonds (Veterans Mortgage Program), 2024 First Series.

Date of Issuance: [June ____, 2024].

NOTICE IS HEREBY GIVEN that the Corporation has not provided an Annual Report with respect to the above-named bond issue as required by the certificate of the Corporation.

Dated: _____

ALASKA HOUSING FINANCE CORPORATION

By: _____

APPENDIX E

OFFICIAL NOTICE OF SALE

\$60,000,000*

**Alaska Housing Finance Corporation
Collateralized Bonds
(Veterans Mortgage Program)
2024 First Series (Non-AMT)**

NOTICE IS HEREBY GIVEN that the Alaska Housing Finance Corporation (the “Corporation”) will receive electronic bids for the purchase of its Collateralized Bonds (Veterans Mortgage Program), 2024 First Series (the “Bonds”) until 11:00 a.m. prevailing Eastern Time (7:00 a.m. Alaska) on July 9, 2024 (unless postponed as described herein), exclusively through the competitive BiDCOMP/PARITY® Electronic Bid Submission System (“Parity”).

Bidders are invited to submit bids pursuant to the terms set forth herein and may not bid for less than all the Bonds.

TERMS OF SALE

Interest. All Bonds of the same maturity must bear interest from the date of issue until the stated maturity date at a single interest rate. Bidders are invited to name the rate(s) of interest per annum to be borne by the Bonds, provided that each rate bid must be a multiple of 1/8 of 1% or 1/20 of 1%. The highest rate bid for the Bonds shall not exceed the lowest rate bid by more than four percent (4%). No interest rate bid for the Bonds shall exceed six percent (6%).

Bid Parameters. No bid for the Bonds shall be at a price of less than ninety-nine percent (99%) or more than one hundred percent (100%) of the aggregate maturing principal amount of such Bonds (based on Revised Amounts as described below) for which a bid is submitted.

Undertakings of the Successful Bidder. By submitting its bid, each bidder agrees that, if it is awarded the Bonds of a Series, it will provide the initial offering prices and certification thereof as described under the caption “Establishment of Issue Price” in this Official Notice of Sale. The successful bidder of the Bonds must, by email delivery within 24 hours after notification of the award, furnish the following information to the Chief Financial Officer/Finance Director of the Corporation to complete the hereinafter defined Preliminary Official Statement in final form (the “Final Official Statement”):

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all Bonds are sold at the expected offering prices).
- B. The identity of the underwriters if such successful bidder is part of a group or syndicate.
- C. Any other material information that the Chief Financial Officer/Finance Director determines is necessary to complete the Final Official Statement.

* Preliminary, subject to change.

The Bonds are offered pursuant to a Preliminary Official Statement dated June 27, 2024 (the “Preliminary Official Statement”). A Final Official Statement for the Bonds will be completed prior to the issuance of the Bonds. After the award of the Bonds, the Corporation will prepare copies of the Final Official Statement and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request; provided, however, that the Corporation will not include in the Final Official Statement a “not reoffered” (“NRO”) designation with respect to any maturity of the Bonds. The successful bidder will be responsible to the Chief Financial Officer/Finance Director in all aspects for the accuracy and completion of information provided by such successful bidder with respect to such reoffering.

The Corporation expects the successful bidder for the Bonds to deliver copies of such Final Official Statement to persons to whom such bidder initially sells such Bonds and to the Municipal Securities Rulemaking Board (“MSRB”). Such successful bidder will be required to acknowledge receipt of such Final Official Statement, to certify that it has made delivery of the Final Official Statement to the MSRB, to acknowledge that the Corporation expects such successful bidder to deliver copies of such Final Official Statement to persons to whom such bidder initially sells such Bonds and to certify that the Bonds will only be offered pursuant to the Final Official Statement and only in states where the offer is legal.

Bidding Options. (A) Bidders may indicate that the Bonds maturing in one or more of the years stated in the schedules below (the “Principal Payment Schedule”) are to be (1) “Serial Bonds” or (2) “Term Bonds,” with the amounts stated under the column titled “Principal Amounts” to be fixed as installments (“Sinking Fund Installments”) for the Term Bonds stated. The Sinking Fund Installments stated must equal the aggregate principal amount of the Term Bonds to which the Sinking Fund Installments correspond. No more than five (5) Term Bonds will be allowed. Subject to modification by the Corporation as described herein, the Bonds shall mature or be retired by Sinking Fund Installments semiannually on June 1 and December 1 of each year in the amounts set forth below.

\$60,000,000*
2024 FIRST SERIES

PRINCIPAL PAYMENT SCHEDULE*

<u>Date</u>	<u>Principal Amount*</u>	<u>Date</u>	<u>Principal Amount*</u>
June 1, 2027	\$620,000	June 1, 2041	\$1,065,000
December 1, 2027	630,000	December 1, 2041	1,090,000
June 1, 2028	640,000	June 1, 2042	1,115,000
December 1, 2028	650,000	December 1, 2042	1,140,000
June 1, 2029	665,000	June 1, 2043	1,165,000
December 1, 2029	675,000	December 1, 2043	1,190,000
June 1, 2030	685,000	June 1, 2044	1,220,000
December 1, 2030	700,000	December 1, 2044	1,245,000
June 1, 2031	710,000	June 1, 2045	1,275,000
December 1, 2031	725,000	December 1, 2045	1,305,000
June 1, 2032	740,000	June 1, 2046	1,335,000
December 1, 2032	755,000	December 1, 2046	1,370,000
June 1, 2033	765,000	June 1, 2047	1,400,000
December 1, 2033	780,000	December 1, 2047	1,435,000
June 1, 2034	795,000	June 1, 2048	1,470,000
December 1, 2034	810,000	December 1, 2048	1,505,000
June 1, 2035	830,000	June 1, 2049	1,540,000
December 1, 2035	845,000	December 1, 2049	1,575,000
June 1, 2036	860,000	June 1, 2050	1,615,000
December 1, 2036	880,000	December 1, 2050	1,655,000
June 1, 2037	895,000	June 1, 2051	1,695,000
December 1, 2037	915,000	December 1, 2051	1,735,000
June 1, 2038	935,000	June 1, 2052	1,775,000
December 1, 2038	955,000	December 1, 2052	1,820,000
June 1, 2039	975,000	June 1, 2053	1,865,000
December 1, 2039	995,000	December 1, 2053	1,910,000
June 1, 2040	1,020,000		
December 1, 2040	1,040,000		

**Preliminary, subject to change.*

The preliminary aggregate principal amount of the Bonds, the preliminary principal amount of each maturity of the Bonds, and the preliminary principal amount of each Sinking Fund Installment as set forth above in the Principal Payment Schedule (the “Preliminary Aggregate Principal Amount,” the “Preliminary Principal Amounts,” and the “Preliminary Sinking Fund Amounts,” respectively; collectively, the “Preliminary Amounts”), and the allocation of the Mortgage Loan repayments and prepayments to redeem Bonds as described in the Preliminary Official Statement (the “Preliminary Prepayment Redemption Provisions”), may be revised in accordance with the procedures set forth below under “ELECTRONIC BIDDING AND BIDDING PROCEDURES—Modification.” Any such revisions (the “Revised Aggregate Principal Amount,” the “Revised Principal Amounts,” the “Revised Sinking Fund Amounts” (collectively,

the “Revised Amounts”) and the “Revised Prepayment Redemption Provisions,” respectively) will be published via Parity no later than 9:00 a.m. prevailing Eastern Time on the bid date. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts and the Preliminary Prepayment Redemption Provisions will constitute the Revised Prepayment Redemption Provisions. Bidders shall submit bids based on the Revised Amounts and Revised Prepayment Redemption Provisions, and the Revised Amounts and Revised Redemption Provisions will be used to compare bids and to select the successful bidder.

After selecting the successful bidder, the Corporation will determine the final aggregate principal amount, the final principal amount of each maturity of the Bonds and the final amount of each Sinking Fund Installment (the “Final Aggregate Principal Amount,” the “Final Principal Amounts” and the “Final Sinking Fund Amounts,” respectively; collectively, the “Final Amounts”). In determining the Final Amounts, the Corporation will not adjust the Revised Aggregate Principal Amount by more than 15%. All bids remain firm until 4:00 p.m. prevailing Eastern Time on the date of the receipt of the bids. The dollar amount bid by the successful bidder will be adjusted proportionately to reflect any change in the aggregate principal amount of the Bonds. The interest rates and prices specified by the successful bidder for each maturity of the Bonds will not change.

Form of Bonds. The Bonds will be delivered in Book-Entry Form through the facilities of The Depository Trust Company (“DTC”) against payment of the purchase price thereof in Federal Reserve Bank Funds.

Dated Date. The Bonds will be dated the date of delivery (the “Dated Date”).

Payment of Principal and Interest. Interest with respect to the Bonds will be payable semiannually on each June 1 and December 1, beginning December 1, 2024, until the Bonds are paid or redeemed in full.

Principal on the Bonds will be payable at maturity or upon earlier redemption to the registered owners upon presentation at the office of U.S. Bank Trust Company, National Association, as Trustee under an Indenture dated as of October 1, 1999, as amended, and a proposed Supplemental Indenture dated as of June 1, 2024, which will secure the Bonds (together, the “Indenture”).

Authorization and Purpose. The Bonds will be issued by the Corporation pursuant to Chapter 56 of Title 18 of the Alaska Statutes and Chapter 46, SLA 2010, to finance the acquisition of homes for qualified veterans residing in Alaska. The issuance of the Bonds was authorized by resolution of the Corporation’s Board of Directors on [April 24, 2024], and by a bond proposition permitting and providing for a guarantee of the Bonds by the State of Alaska (the “State”), which passed in a public election held in the State on November 2, 2010. A total of \$3,300,000,000 of bonds have been authorized pursuant to such bond propositions and a total of \$2,765,285,000 has been previously issued by the Corporation under such authorizations (excluding the Bonds), of which \$88,845,000 is outstanding as of February 29, 2024.

Security for the Bonds. The Bonds will be general obligations of the Corporation for which its full faith and credit will be pledged, subject to agreements made with the holders of other obligations of the Corporation pledging particular revenues and assets. The Bonds will be primarily secured by mortgage loans originated by qualified lending institutions in the State and subsequently purchased by the Corporation under its Veterans Mortgage Program and/or mortgage-backed certificates acquired in exchange for certain such mortgage loans (collectively, the “Pledged Program Obligations”). The Corporation’s right, title and interest in the Pledged Program Obligations, together with the payments thereon (the “Pledged Revenues”), will be assigned to the Trustee under the Indenture along with all assets held in any fund or account established under the Indenture.

Payment of principal and interest on the Bonds is unconditionally guaranteed by, and secured by the general obligation of, the State.

The Indenture must be consulted for a complete description of the security for the Bonds.

Redemption. The Bonds are subject to optional redemption and special redemption, including redemption at par, as set forth in the Indenture and Preliminary Official Statement, subject to change as set forth in the Revised Prepayment Redemption Provisions.

ELECTRONIC BIDDING AND BIDDING PROCEDURES

Registration to Bid. All prospective bidders must be contracted customers of Parity. By submitting a bid for the Bonds, a prospective bidder represents and warrants to the Corporation that such bidder's bid for the purchase of such Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of such Bonds.

If any provisions of this Official Notice of Sale shall conflict with information provided by Parity, this Official Notice of Sale shall control. Further information about Parity, including fees charged and becoming a contracted customer, may be obtained directly from Parity at (212) 404-8102.

Disclaimer. Each prospective bidder shall be solely responsible to register to bid via Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the Corporation nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Corporation nor Parity shall be responsible for a bidder's failure to register to bid or for proper operation of Parity, or have any liability for any delays or interruptions of, or any damages caused by Parity. The Corporation is using Parity as a communication mechanism, and not as the Corporation's agent, to conduct the electronic bidding for the Bonds. The Corporation is not bound by any advice and determination of Parity to the effect that any particular bid complies with the terms and specifications of this Official Notice of Sale and in particular the "Bid Parameters" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via Parity are the sole responsibility of the bidders; the Corporation is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for Bonds, it should telephone Parity Product Support at (212) 849-5021 and notify the Chief Financial Officer/Finance Director of the Corporation at (907) 330-8366.

Bidding Procedures. Bids must be submitted electronically for the purchase of the Bonds (all or none) by means of the Alaska Housing Finance Corporation AON Bid Form (the "Bid Form") via Parity by 11:00 a.m., prevailing Eastern Time, on July 9, 2024, unless postponed as described herein (see "Change of Bid Date and Closing Date"). Prior to that time, a prospective bidder may input and save proposed terms of its bid in Parity. Once the final bid has been saved in Parity, the bidder may select the final bid button in Parity to submit the bid to Parity. Once the bids are communicated electronically via Parity to the Corporation, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on Parity shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost ("TIC") to the Corporation, based upon the rate or rates of interest and the bid price specified in their respective bids as described below under "Bid Procedure and Basis of Award".

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via Parity. No bid will be received after the time for receiving such bids specified above.

Bid Procedure and Basis of Award. Subject to the right reserved to the Corporation to reject any or all bids, the Bonds will be awarded to the bidder whose bid produces the lowest TIC and otherwise complies with this Official Notice of Sale. The TIC for the Bonds will be determined by doubling that semiannual interest rate, compounded semiannually, necessary to discount the semiannual debt service payments from the payment dates to the dated date of the Bonds and to the aggregate purchase price.

Bids shall be retrieved, reviewed and publicly approved by the Corporation within 30 minutes of the deadline for the receipt of bids on July 9, 2024. Bids must remain valid until at least 4:00 p.m. prevailing Eastern Time, on July 9, 2024, and, if accepted by the Corporation prior to such time, shall be irrevocable except as otherwise provided in this Official Notice of Sale.

Change of Bid Date and Closing Date. The Corporation expects to take bids on the Bonds on July 9, 2024. However, the Corporation reserves the right to change, from time to time, the date or time established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on Parity not later than 9:00 a.m. prevailing Eastern Time on the day fixed for the receipt of bids. In such instance, an alternative sale date and time will be announced via Parity at least 20 hours prior to such alternative date and time for receipt of bids.

The Corporation may change the scheduled delivery date for the Bonds by notice given in the same manner as that set forth for a change in the date for the receipt of bids. See “Delivery and Payment” hereinafter.

The reset sale notice may state different terms and conditions of sale and may refer to this notice for any or all terms of sale. All bidders will be deemed to have assented to the above conditions by submitting a bid, and lack of actual notice of the postponement or of the reset terms of sale will not be considered.

Delivery and Payment. It is anticipated that the Bonds, in definitive form, will be available for delivery on July 30, 2024 (“Date of Issuance”), through DTC in New York, New York. Full payment of the balance of the purchase price for the Bonds must be made to the Corporation by the successful bidder(s) in Federal Reserve Funds or other immediately available funds without cost to the Corporation at the time of delivery of the Bonds. The Bonds will be delivered in Book-Entry Form with DTC named as depository.

Establishment of Issue Price. The winning bidder shall assist the Corporation in establishing the issue price of the Bonds and shall execute and deliver to the Corporation at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of such Bonds, together with the supporting pricing wires or equivalent communications, in a form satisfactory to the Corporation and Bond Counsel. All actions to be taken by the Corporation under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Corporation by its municipal advisor, Masterson Advisors LLC, and any notice or report to be provided to the Corporation may be provided to the Corporation’s municipal advisor.

The Corporation intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds, and referenced hereafter as the “Competitive Sale Requirements”) will apply to the initial sale of the Bonds because:

- (1) the Corporation shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

- (2) all bidders shall have an equal opportunity to bid;
- (3) the Corporation may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Corporation anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase such Bonds at the lowest TIC, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the Competitive Sale Requirements are not satisfied with respect to the Bonds, the Corporation shall so advise the applicable winning bidder. The Corporation may determine to treat (i) the price or prices at which the first 10% of a maturity of the Bonds is sold to the public (the “10% Test”) as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “Hold-The-Offering-Price Rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the Corporation if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The Corporation shall promptly advise the winning bidders, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% Test or shall be subject to the Hold-The-Offering-Price Rule. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold-The-Offering-Price Rule in order to establish the issue price of the Bonds.

By submitting a bid, the winning bidder shall (i) confirm that it and any other underwriters participating in the purchase of the Bonds have offered or will offer the Bonds to the public on or before the date of award at the initial offering price, or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of itself and any other underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-The-Offering-Price Rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Corporation when the underwriters have sold 10% of that maturity of the Bonds to the public at a price or prices that are no higher than the initial offering price to the public if that occurs prior to the close of the fifth (5th) business day after the sale date.

If the Competitive Sale Requirements are not satisfied with respect to the Bonds, then, until the 10% Test has been satisfied as to each maturity of the Bonds, the applicable winning bidder agrees to promptly report to the Corporation the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Date of Issuance has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% Test has been satisfied as to the Bonds of that maturity, provided that the winning bidder’s reporting obligation after the Date of Issuance may be at reasonable periodic intervals or otherwise upon request of the Corporation or Bond Counsel.

The Corporation acknowledges that, in making the representations set forth above, each winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing

issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to such Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Corporation further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to the Bonds.

By submitting a bid, each bidder confirms that:

(i) it has an established industry reputation for underwriting new issuances of municipal bonds.

(ii) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it, whether or not the Date of Issuance has occurred, until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, provided that the reporting obligations after the Date of Issuance may be at reasonable periodic intervals or otherwise upon the request of the winning bidder, and/or (ii) comply with the Hold-The-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires,

(B) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(iii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will

contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it, whether or not the Date of Issuance has occurred, until it is notified by the winning bidder or such underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, provided that the reporting obligations after the Date of Issuance may be at reasonable periodic intervals or otherwise upon the request of the winning bidder and/or (B) comply with the Hold-The-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter of such Bonds shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Corporation (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date that the Bonds are awarded by the Corporation to the winning bidder.

Tax-Exempt Status. In the event that prior to the delivery of the Bonds any federal income tax law is enacted or proposed with application to the Bonds which will have a substantial adverse effect upon holders of the Bonds as such, a successful bidder may, at its option, prior to the delivery of the Bonds by the Corporation, be relieved of its obligation. In the opinion of Bond Counsel, under existing statutes and court decisions, (i) interest on the Bonds is excludable from gross income for federal income tax purposes; and (ii) interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals under the Code. A more complete statement of tax exemption is included in the Preliminary Official Statement.

[Bond Ratings. Standard & Poor’s Ratings Services (“S&P”) has assigned a rating of “AAA” to the Bonds, and Moody’s Investors Service, Inc. (“Moody’s”) has assigned a rating of “Aaa” to the Bonds.]

Legal Opinion. The legal opinion of Kutak Rock LLP, Bond Counsel, will be furnished to the successful bidders without cost.

CUSIP Numbers. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by a successful bidder to accept delivery of and pay for the Bonds.

Preliminary and Final Official Statement. The Preliminary Official Statement is available in electronic format at the Corporation's website (<https://www.ahfc.us/pros/investors/bonds-official-statements>) and at <http://www.MuniOS.com>. All bidders must review the Preliminary Official Statement and certify that they have done so prior to participating in the bidding. The Corporation shall provide a successful bidder with a reasonable number of copies of the Final Official Statement within seven (7) business days following the date of acceptance of the bid.

Continuing Disclosure Undertaking. In order to assist bidders in complying with SEC Rule 15c2-12(b)(5), the Corporation and the State will undertake to provide certain annual financial information and notices of certain events with respect to the Bonds, if material. A description of these undertakings is set forth in the Preliminary Official Statement and will be set forth in the Final Official Statement.

Modification. The Corporation reserves the right to modify any terms of this Official Notice of Sale or the Preliminary Official Statement via notification published on Parity no later than 9:00 a.m., prevailing Eastern Time, on July 9, 2024 (or, in the event of a change in bid date or time in accordance herewith, the day prior to the reset bid date).

Additional Information. The Preliminary Official Statement is in a form which the Corporation deems final as of June 27, 2024, for purposes of SEC Rule 15c2-12, but is subject to revision, amendment, and completion in the Final Official Statement, as set forth in SEC Rule 15c2-12(b)(3). Electronic copies of the Preliminary Official Statement, the Indenture, and this Official Notice of Sale may be obtained from Masterson Advisors, LLC, by email at kayla.macewen@mastersonadvisors.com or by phone at (646) 483-4941.

Michael Strand
Chief Financial Officer/Finance Director
Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, Alaska 99504
(907) 330-8366

Dated: June 27, 2024

**ALASKA HOUSING FINANCE CORPORATION
BOARD CONSIDERATION MEMORANDUM**

Date: 4/24/2024

Staff: Catherine Stone

Item: Consideration of a Resolution Approving the FY2025 Moving to Work Annual Plan and Capital Fund Program

Background:

The Moving to Work Agreement (MTW) between AHFC and the U.S. Department of Housing and Urban Development (HUD) began in 2008. The AHFC Board of Directors approved Resolution 16-11 on May 25, 2016 extending AHFC's participation in the MTW Demonstration Program through June 2028. MTW applies to the following programs: Public Housing, Public Housing Capital Fund, Housing Choice Voucher, and Voucher administrative fees. MTW does not include the S8N Multifamily Housing Program.

Section VII of the MTW Agreement outlines AHFC's responsibilities with regard to planning and reporting. AHFC must prepare and submit to HUD an annual MTW plan providing citizen participation through a 30-day review process, a public hearing, and approval from the AHFC Board of Directors. Once approved by the Board, HUD reviews the plan for consistency with the MTW Agreement. Within 75 days from the submittal date, HUD shall notify AHFC in writing whether it approves or objects to any of the plan provisions.

Whenever AHFC seeks a waiver from either the 1937 Housing Act, or implementing regulations, it must do so through the planning process and must comply with at least one of three statutory goals:

- 1) Reduce cost and achieve greater cost effectiveness in federal expenditures;
- 2) Give incentives to families with children whose head of household is either working, seeking work, or participating in programs that assist them to become economically self-sufficient; and
- 3) Increase housing choices for low-income families.

Issue:

The FY25 MTW Plan includes one new activity, closes one activity, and amends 3 previously approved activities.

New Activity

Activity 2025-1 will allow AHFC to incorporate a triennial recertification process for the Special Purpose Voucher programs dedicated to serving persons with a disability. AHFC has used triennial examinations in the Classic Program for more than 10 years

and this activity will expand this process to the Non-Elderly Disabled Program, Mainstream and Mainstream 811 Programs, and the Moving Home Program. These

Special Purpose Voucher programs provide rental assistance to 300 families on fixed income which do not experience significant income changes from year to year.

Closed Activities

AHFC is closing activity 2016-1 which aimed to provide sponsor-base rental assistance for properties receiving Section 811 Project Rental Assistance (PRA) through the Planning and Program Development Department. September 2023 was the deadline to obligate Section 811 PRA funds and no awards were made through activity 2016-1.

Amended Activities

The Housing Opportunities Through Modernization Act of 2016 (HOTMA) has codified changes to income reviews, screening eligibility and excluded assets. Adopting these policies will amend 2 existing activities.

- Activity 2014-1h is amended to incorporate the HOTMA Disabled annual gross income deduction change from \$400 to \$525.
- Activity 2014-1j is amended to allow families to self-certify and exclude income from assets up to \$50,000 as implemented through HOTMA.

AHFC is also amending Activity 2023-3 which Established a Sponsor-Based Rental Assistance and Development Activity with the Alaska Corporation for Affordable Housing. Language was added to clarify the financial contribution made by AHFC is per fiscal year.

Recommendation:

Staff recommends Board approval of resolution 2024-02 approving the FY2025 Moving to Work Annual Plan and Capital Fund Program.

**BOARD RESOLUTION OF ALASKA HOUSING FINANCE CORPORATION
RESOLUTION 2024-02**

**RESOLUTION APPROVING THE FY2025 MOVING TO WORK ANNUAL PLAN
AND CAPITAL FUND PROGRAM**

WHEREAS, the Alaska Housing Finance Corporation's (AHFC) Board of Directors authorized AHFC's participation in the Moving to Work (MTW) Demonstration Program with Resolution 08-19 on June 18, 2008; and

WHEREAS, AHFC executed its Moving to Work Agreement with the U.S. Department of Housing and Urban Development (HUD) on June 24, 2008; and

WHEREAS, AHFC's Board of Directors approved an extension of AHFC's participation in the MTW Program with Resolution 16-11 on May 25, 2016 extending AHFC's participation to June 30, 2028; and

WHEREAS, in compliance with the MTW Agreement, a draft plan for fiscal year 2025 was developed and covers activities falling within the Public Housing Program, the Capital Fund Program, and the Housing Choice Voucher Program, including but not limited to rental subsidy, operations, administration, and modernization; and

WHEREAS, AHFC invited comment on the plan through notices posted on its web site on March 1, 2024 allowing for a 30-day comment period with a public hearing held on March 21, 2024; and

WHEREAS, public comments and responses are contained within the plan; and

WHEREAS, this annual plan is due to HUD at least 75 days before the AHFC fiscal year end;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Alaska Housing Finance Corporation hereby recommends said plan and directs staff to submit it to HUD for approval.

PASSED AND APPROVED, by the Board of Directors of Alaska Housing Finance Corporation this 24th day of April, 2024.

Brent LeValley – Board Chair

Moving to Work Plan FY2025 Public Housing Department

Original Submission:

Public Comment Open: March 1, 2024

Public Hearing: March 21, 2024

Public Comment Close: March 31, 2024

Board Approval: Pending

To HUD:

Approved by HUD:

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I.	Introduction	
A.	Table of Contents	
B.	Overview of Short-Term and Long-Term MTW Goals and Objectives	7
B.1	Overview of Short-Term Objectives	8
B.2	Overview of Long-Term Goals	9
II.	General Operating Information	10
A.	Housing Stock Information	10
A.1	Planned New Public Housing Units	10
A.2	Planned Public Housing Units to be Removed	10
A.3	Planned New Project-Based Vouchers	10
A.4	Existing Project-Based Vouchers	10
A.5	Planned Other Changes to MTW Housing Stock Anticipated During the Plan Year	11
A.6	General Description of All Planned Capital Fund Expenditures During the Plan Year	11
B.	Leasing Information	11
B.1	Planned Number of Households Served	11
B.2	Discussion of any Anticipated Issues/Possible Solutions Related to Leasing	12
C.	Waiting List Information	14
C.1	Waiting List Information Anticipated	14
C.2	Planned Changes to Waiting List in the Plan Year	15
III.	Proposed MTW Activities	16
	2025-1 Triennial Recertifications for Special Purpose Disabled Vouchers	16
IV.	Approved MTW Activities	18
A.	Implemented	18
	2010-6 NSPIRE Inspections on AHFC Properties	18
	2010-7 Project-Based Vouchers – Owner-Managed Waiting Lists	19
	2010-9 Returning Home Program	20
	2010-10 Moving Home Program	21
	2011-1 Simplification of Utility Allowance Schedules	23
	2011-2 Local Payment Standards	24
	2011-3 Project-Based Vouchers – Waiver of Tenant-Based Requirement	25
	2011-4 Establish a Sponsor-Based Rental Assistance Program	26
	2011-4a Sponsor-Based Rental Assistance Program, Karluk Manor	28
	2011-4b Sponsor-Based Assistance, Forget-Me-Not Manor	29
	2011-4c Sponsor-Based Assistance, Dena’ina House	30

2011-4d Sponsor-Based Assistance, Bridgeway Community Housing	31
2011-4e Covey Lofts Sponsor-Based Rental Assistance (SBRA)	32
2011-4f HomePlate Sponsor-Based Rental Assistance (SBRA)	33
2011-5 Project-Base Vouchers at AHFC Properties and Exceed 25 Percent Limit per Building	34
2012-1 Raise HCV Maximum Family Contribution at Lease-Up to 50 Percent	35
2012-2 Nonpayment of Rent	36
2013-1 Making A Home Program	37
2013-2 Empowering Choice Housing Program (ECHP)	39
2014-1 Reasonable Rent and Family Self-Sufficiency Initiative	40
2014-1a Population Definitions	41
2014-1b Minimum Rent	42
2014-1c Utility Reimbursement Payments	43
2014-1d Jumpstart Program	44
2014-1e Family Choice of Rent and Flat Rents	46
2014-1f Ineligible Noncitizen Proration	47
2014-1g Annual Recertification Requirement	48
2014-1h Annual and Adjusted Annual Income Calculation	49
2014-1i Portability	50
2014-1j Income from Assets	52
2014-1k Earned Income Disallowance	53
2014-1l Hardship Policy and Process	53
2014-3 PBV Inspection Requirements	56
2014-4 Ridgeline Terrace and Susitna Square	57
2015-1 Modify Reasonable Rent Procedure for 5 Percent FMR Decrease	58
2023-2 Security Deposit Assistance Program	59
2023-3 Establish a Sponsor-Based Rental Assistance and Development Activity with the Alaska Corporation for Affordable Housing	60
2023-3a Fairbanks Development: The Meadows	62
2023-3b Fairbanks Development- Borealis Park	63
2024-01 Landlord Appreciation Program	64
2024-02 New Start Voucher Program	65
B. Not Yet Implemented	67
2010-13 Homeownership Program	67
2021-1 Step Program Set-Aside Pilot	68
C. Activities On Hold	69
D. Closed Out Activities	69
2010-1 Reexamination of Income	69
2010-4 Rent Simplification	71

2010-5 HQS Inspections	72
2010-8 Live-In Aides.....	73
2010-11 Project-Based Voucher Assistance in Transitional Housing.....	73
2010-12 Local Preferences	74
2010-14 AHFC Alternate Forms.....	75
2012-3 Waiver of Automatic Termination of HAP Contract	76
2013-3 Income Limits	77
2014-2 Use of TIC Sheets for PBV Income Calculations.....	78
2016-1 Section 811 Sponsor-Based Assistance Match	79

V. Planned Application of MTW Funds..... 81

A. Planned Application of MTW Funds 81

A.1 Estimated Sources of MTW Funds.....	81
A.2 Estimated Application of MTW Funds.....	81
A.3 Description of Planned Application of MTW Funding Flexibility	82
A.4 Local Asset Management Plan.....	83
A.5 Rental Assistance Demonstration (RAD) Participation.....	83

VI. Administrative 83

A. Board Resolution and Certifications of Compliance..... 83

A.1 Board Resolution for FY2025 Annual Plan	83
A.2 Certifications of Compliance	83

B. Documentation of Public Process 84

B.1 Public Notice for FY2025 Moving to Work Plan.....	84
B.2 <i>Anchorage Daily News</i> Affidavit of Publication	85
B.3 <i>Fairbanks Daily News-Miner</i> Affidavit of Publication	86
B.4 <i>Juneau Empire</i> Affidavit of Publication.....	87
B.5 Public Comments from the Public Hearing	87
Pending.....	Error! Bookmark not defined.
B.6 Written Public Comments.....	88
Pending.....	Error! Bookmark not defined.
B.7 Resident Advisory Board Comments	88

C. Planned and Ongoing Evaluations..... 88

C.1 Step Program Evaluation	88
-----------------------------------	----

D. Lobbying Disclosure 90

D.1 SF-LLL Disclosure of Lobbying Activities	90
D.2 HUD-50071 Certification of Payments to Influence Federal Transactions	91

E. Appendix	92
E.1 Alaska Corporation for Affordable Housing (ACAH)	92
E.2 Environmental and Energy Assessments	92
E.3 Non-MTW Activities	92
2010N-7 Designated Housing	93
2011N-6 Elder Housing Preference	93
2019N-1 Disposition of Six Public Housing Properties	93
2022N-1 Disposition of Property at Williwa Manor	94
2023N-1 Remote Video Inspections	96
2023N-2 Conversion of Paper Operations to Electronic Systems.....	96
E.4 Annual Statement/Performance and Evaluation Reports for Period Ending December 31, 2023	97

B. Overview of Short-Term and Long-Term MTW Goals and Objectives

The Public Housing Department (PHD) is part of the Alaska Housing Finance Corporation (AHFC), which was founded in 1971. Through its 150 staff located across sixteen communities, we provide housing for nearly 7,500 low-income Alaska families each day.

ALASKA HOUSING'S MISSION IS TO PROVIDE ALASKANS ACCESS TO SAFE, QUALITY, AFFORDABLE HOUSING. THE PUBLIC HOUSING DEPARTMENT SEEKS TO PROVIDE ACCESS TO SAFE AND SUSTAINABLE HOUSING OPTIONS THROUGH INNOVATIVE STRATEGIES AND PROGRAMS.

The following core values guide PHD's actions in pursuit of our mission:

- *Leadership: Be a trusted industry expert and resource.*
- *Integrity: Hold oneself to the highest standards.*
- *Respect: Act in a manner that demonstrates professionalism, discretion and courtesy.*
- *Sustainability: Take an approach that enables a strong, healthy corporation and growth of investments.*

Who We Serve and Core Competencies

PHD's primary customers are Public Housing residents, voucher holders, other low-income and elderly/disabled Alaskans (including those on waiting lists for our housing programs) and landlords. We also serve a variety of other internal and external stakeholders including the AHFC board of directors, staff, community partners, the Department of Housing and Urban Development, Indian Housing Authorities, local and state government and the general public.

We serve our customers through the following core competencies:

- Connecting to those in need.
- Obtaining and administering housing subsidy.
- Providing safe shelter.
- Providing high quality customer service.
- Assisting clients in becoming self-sufficient.

***“THE ACHE FOR HOME LIVES IN ALL OF US,
THE SAFE PLACE WHERE WE CAN GO AS WE ARE
AND NOT BE QUESTIONED.” – MAYA ANGELOU (1928-2014)***

B.1 Overview of Short-Term Objectives

These goals describe our desired destination – where PHD would like to be at the end of FY2025. They translate our mission into a more focused, actionable set of outcomes. The following are seven goals PHD will pursue in FY2025.

1. Maximize financial performance, preservation, and leveraging of existing housing portfolio. PHD will assess and implement strategies to create financially sustainable housing that meets the needs of low-income Alaskans.
 - Utilize the Capital Fund Program and Replacement Housing Factor funds on facility improvements including fuel tank replacements, sprinkler upgrades, lead-based paint remediation, Americans with Disabilities Act site improvements, etc.
 - Work with the Research and Rural Development Department to implement and install a Building Monitoring system (BMON) to realize energy and cost savings.
2. Achieve operational excellence. PHD will create a culture of accountability and continuous improvement by developing and implementing a robust performance management process.
 - Realign staffing to meet organizational needs.
 - Identify and address gaps in current organizational design that creates barriers to the successful delivery of programs and services.
 - Obtain a facility in Anchorage that will support our 1,600 units of public housing in 13 communities throughout the state. This facility will serve as a rental office and also be a shared space for staff training, equipment storage, and material staging.
3. Increase staff development and capacity. PHD will implement processes and tools to improve staff productivity and increase staff satisfaction and client service.
 - Conduct staff training statewide.
 - Continue to implement Yardi RENTCafé electronic processes for staff, tenants, and landlords.
4. Increase affordable housing opportunities. PHD will increase housing capacity to 7,070 Alaskan households by adding 145 new units/vouchers (+9.5% vs. FY2017) by leveraging reserves, affordable housing development funds, and the flexibilities of MTW and the Alaska Corporation for Affordable Housing (ACAH).
 - Complete development of 40 new units of affordable family housing in Fairbanks in partnership with ACAH.
 - Leverage existing programs to create additional opportunities.
 - Recruit new sponsor-based rental assistance awardees to add new units of assistance.

5. Ensure safety of housing options. PHD will make the safety of its residents, clients, and staff a priority to support its mission and vision by increasing safety measures within its properties, and will train staff in how to maintain their own safety in the workplace.
 - Assess and remediate health and safety risks in housing including recognizing hazards, assessing their importance, and controlling or eliminating them.
 - Create robust landlord outreach program to obtain and support excellent voucher landlords.

B.2 Overview of Long-Term Goals

“THE MORE WE DO, THE MORE THEY’LL LET US” – CONGRESSMAN DON YOUNG (1933-2022)

Our long-term goals describe our desired destination – where PHD would like to be in the next three years. Following are the seven primary goals PHD will pursue.

Our long-term goals have been newly developed, and have changed some from our short-term goals.

1. **Rightsized Department and Supporting Organizational Structure.** Create job classification and compensation model that enables the successful delivery of programs and services.
2. **Achieve and Maintain Optimal Staffing Level.** Realize full organizational potential by streamlining the hiring process and expanding employee development and retention programs.
3. **Accelerate Digital Transformation.** Clearly articulate digital strategy that will make meaningful impact on staff workload, relationships with clients and landlords, and PHD’s ability to collect, manage and report on data required to support strategic initiatives.
4. **Ensure Safety of People and Housing.** Continue to make the safety of residents, clients and staff a priority in order to support the mission; with a particular focus on issues related to criminal activity and violence.
5. **Reorient Voucher Programs to Meet Changing Community Needs.** Evaluate the changing housing needs of communities, individuals and landlords, and develop new programs or revise existing ones to meet those needs.
6. **Develop Framework to Assess the Long-Term Viability of Owned Properties.** Build and foster skill sets and infrastructure that are required to assess the financial condition of individual properties and evaluate financing alternatives.
7. **Increase Affordable Housing Opportunities.** Increase statewide affordable housing capacity by leveraging resources and using flexibilities of the Moving to Work (MTW) program and the Alaska Corporation for Affordable Housing (ACAH).

II. GENERAL OPERATING INFORMATION

A. Housing Stock Information

A.1 Planned New Public Housing Units

AMP Name and Number	Bedroom Size						Total Units	Population Type *	Section 504 Accessible Units	
	0/1	2	3	4	5	6+			Mobility	Hearing/Vision
N/A	0	0	0	0	0	0	0	N/A	0	0
N/A	0	0	0	0	0	0	0	N/A	0	0
N/A	0	0	0	0	0	0	0	N/A	0	0
Total Public Housing Units to be Added in the Plan Year								0	0	0

If "Population Type" is "Other" please describe:

N/A

A.2 Planned Public Housing Units to be Removed

AMP Name and Number	Number of Units to be Removed	Explanation for Removal
Anchorage South 271	1	Disposition – see Activity 2019N-1
N/A	0	N/A
N/A	0	N/A
Total to be Removed	1	

Due to the COVID-19 pandemic, AHFC was unable to move forward with this disposition in 2021. AHFC has vacated five of the six units and plans to complete this action during FY2025.

A.3 Planned New Project-Based Vouchers

Property Name	Number of Vouchers to be Project-Based	RAD?	Description of Project
N/A	0	N/A	N/A
N/A	0	N/A	N/A
Total to be Added	0	0	

A.4 Existing Project-Based Vouchers

Property Name	Number of Project-Based Vouchers	Planned Status at End of Plan Year	RAD?	Description of Project
1248 E 9 th Ave	4	Leased/Issued	No	see 2011-5
Alpine Terrace	30	Leased/Issued	No	see 2011-5
Loussac Place	60	Leased/Issued	No	see 2010-7
MainTree Apts.	10	Leased/Issued	No	see 2010-7
Ridgeline Terrace	63	Leased/Issued	No	see 2014-4
Susitna Square	18	Leased/Issued	No	see 2014-4
Planned Existing PBV	185			

A.5 Planned Other Changes to MTW Housing Stock Anticipated During the Plan Year
 AHFC does not anticipate any changes to the MTW Housing Stock in FY2025.

A.6 General Description of All Planned Capital Fund Expenditures During the Plan Year

- Projects are identified consistent with the AHFC statewide Physical Needs Assessment (PNA) process and our MTW plan.
- Funds are allocated to projects based upon priority and complexity.
- Funded Projects will be, but not limited to, statewide: roof replacements, window replacements, siding projects, HVAC repairs/replacements, health & life safety systems (fire detection/suppression, CCTV, Access Control), elevator repairs, unit interior refreshment, parking lot repair/replacement, property equipment and vehicle replacements.
- Any remaining funds are to be put toward funding new housing units in the affordable housing development program as laid out in this plan.

There is no plan at this time to relocate existing tenants to perform activities listed above. Any interior activities will be performed when a tenant vacates a unit. All other activities can be accomplished while tenants are in residence.

B. Leasing Information

B.1 Planned Number of Households Served

Planned Number of Households Served Through:	Planned Number of Unit Months Occupied/Leased	Planned Number of Households to be Served
MTW Public Housing Units Leased ¹	14,532	1,211
MTW Voucher (HCV) Units Utilized ²	51,780	4,315
Local, Non-Traditional: Tenant-Based ³	10,140	845
Local, Non-Traditional: Property-Based ⁴	2,364	197
Local, Non-Traditional: Homeownership	0	0
Planned Total Households Served	78,816	6,568

1 – Public Housing (Planned 98% of 1,236).

2 – Voucher Units (Planned 98% of 4,403); includes Homeownership, Project-Based, and Tenant/Enhanced Protection.

3 – Local, Tenant-Based (Planned 90% of 939); Empowering Choice Housing Program (254), Mainstream 811 (10), Making A Home (40), Moving Home Program (150), New Start (400) and Returning Home (85).

4 – Local, Property-Based (Planned 90% of 217); Karluk Manor (46), Forget-Me-Not Manor (56), Dena'ina House (25), Bridgeway (35), Covey Lofts (22), The Meadows (18) and Homeplate (15).

Note: Emergency Housing Voucher (184), Foster Youth to Independence (22), Mainstream (95), Non-Elderly Disabled (45), Stability Voucher (10) and Veterans Affairs Supportive Housing (374) vouchers' administrative costs are supported with MTW funds; however, these are not included in the totals.

Local, Non-Traditional Category	MTW Activity Name/Number	Planned Number of Unit Months Occupied/Leased	Planned Number of Households to be Served
Tenant-Based	ECHP – 2013-2	2,743	229
Tenant-Based	Moving Home – 2010-10	1,620	135
Tenant-Based	Returning Home – 2010-9	918	76
Tenant-Based	Mainstream 811 – 2016-1	108	9
Tenant-Based	Making A Home – 2013-2	432	36
Tenant-Based	New Start- 2024-2	4,320	360
Project-Based	Karluk – 2011-4a	496	41
Project-Based	Dena'ina – 2011-4c	270	23
Project-Based	Forget-Me-Not – 2011-4b	605	51
Project-Based	Bridgeway – 2011-4d	378	32
Project-Based	Covey Lofts- 2011-4e	240	20
Project-Based	The Meadows- 2023-3a	192	16
Project-Based	HomePlate- 2011-4f	162	14
Homeownership		0	0
Planned Totals		12,484	1,042

B.2 Discussion of any Anticipated Issues/Possible Solutions Related to Leasing

Housing Program	Description of Anticipated Leasing Issues and Possible Solutions
MTW Public Housing	Issues: 1. Supply chain disruptions nationwide have had an even greater effect on Alaska due to lack of infrastructure for trucking. Most of Alaska's products are air or barged in; products that in the past would be fulfilled within two weeks are now back ordered several months. 2. Federal eviction moratorium policies have extended the notice to quit window which allows for tenants behind on rent or not in compliance with their lease to occupy units longer. This created difficult and time-consuming unit turns. 3. Decreased labor supply created a shortage in staffing levels. This impacted the ability to not only address emergency and routine work orders, but to turn over units that had a high amount of wear and tear. Solutions: 1. A staffing analysis allowed us to increase several staff to full time, and to identify others ways to incentive and maintain necessary staffing levels. 2. Leasing of warehouse space in Anchorage has allowed us to identify commonly purchased items for unit turns, standardize components, and provide materials and assistance to field offices for work order and unit turns. This also has decreased the supply chain delays that we continue to face. 3. Increased contract labor to assist with very difficult unit turns or with staff shortages as we work to back fill for retirements or general labor shortages in a community.

MTW Housing Choice Voucher	Lease up of vouchers has been affected by several factors, including: 1. Extremely low vacancy rates throughout the state. 2. General lack of available units. 3. Increased rents due to a tight rental market and low vacancy rates. 4. Landlords are more selective and tenants with poor rental histories or barriers are often not selected. 5. A high number of families are chasing a limited quantity of units. 6. Several new increments of vouchers for vulnerable populations, such as VASH, EHV, FYI, Stability Vouchers, have been added to an already limited supply of units. These families also have higher needs and take greater staff time and resources to be successful. Solutions: 1. Security deposit assistance program, which was initiated during the pandemic, was very successful and helped many families bridge the gap to housing. We have extended that program. 2. Landlord Appreciation Program will provide financial incentives to landlords that provide a twelve-month lease to any AHFC voucher holder. 3. On-line technology improvements. We have implemented an on-line eligibility, briefing, and recertification process to streamline and allow families more flexibility in using and accessing their voucher. The online portal was extended to Landlords, to also provide them with better service. 4. Alaska Corporation for Affordable Housing (ACAH), a subsidiary of AHFC, has been tasked with increasing affordable housing statewide. They have recently completed 18 units of senior housing in Fairbanks and will have completed 40 units of family housing there this summer. ACAH is also working on its next development. 5. Sponsor based rental assistance. To date we have awarded over 300 units of Sponsor Based Rental Assistance over the past 5 years. This has provided new affordable housing statewide and freed up some voucher units.
Homeownership	N/A

C. Waiting List Information

C.1 Waiting List Information Anticipated

As of January 26, 2024, the following families are on AHFC waiting lists.

Waiting List Name	Description	Number of Households on Waiting List	Waiting List Open, Partially Open or Closed	Plans to Open the Waiting List During the Plan Year
Anchorage Housing Choice Voucher	Community-Wide, Family	3,443	Closed	No
Anchorage Public Housing	Community-Wide, Family	1,651	Partially Open	Yes
Anchorage Public Housing-Senior	Community-Wide, Senior/Disabled	944	Partially Open	Yes
Bethel Public Housing	Community-Wide, Family	217	Open	Yes
Cordova Public Housing	Community-Wide, Family	1	Open	Yes
Fairbanks Housing Choice Voucher	Community-Wide, Family	631	Open	Yes
Fairbanks Public Housing	Community-Wide, Family	333	Open	Yes
Fairbanks Public Housing-Senior	Community-Wide, Senior/Disabled	236	Open	Yes
Homer Housing Choice Voucher	Community-Wide, Family	50	Open	Yes
Juneau Housing Choice Voucher	Community-Wide, Family	238	Open	Yes
Juneau Public Housing	Community-Wide, Family	175	Partially Open	Yes
Juneau Public Housing-Senior	Community-Wide, Senior/Disabled	86	Open	Yes
Ketchikan Housing Choice Voucher	Community-Wide, Family	151	Open	Yes
Ketchikan Public Housing	Community-Wide, Family	89	Open	Yes
Ketchikan Public Housing-Senior	Community-Wide, Senior/Disabled	73	Open	Yes
Kodiak Housing Choice Voucher	Community-Wide, Family	75	Open	Yes
Kodiak Public Housing	Community-Wide, Family	276	Open	Yes
Mat-Su Housing Choice Voucher	Community-Wide, Family	738	Open	Yes
Mat-Su Public Housing-Senior	Community-Wide, Senior/Disabled	146	Open	Yes

Waiting List Name	Description	Number of Households on Waiting List	Waiting List Open, Partially Open or Closed	Plans to Open the Waiting List During the Plan Year
Nome Public Housing	Community-Wide, Family	53	Open	Yes
Petersburg Housing Choice Voucher	Community-Wide, Family	1	Open	Yes
Sitka Housing Choice Voucher	Community-Wide, Family	7	Open	Yes
Sitka Public Housing	Community-Wide, Family	128	Open	Yes
Sitka Public Housing-Senior	Community-Wide, Senior/Disabled	61	Open	Yes
Soldotna Housing Choice Voucher	Community-Wide, Family	453	Open	Yes
Valdez Housing Choice Voucher	Community-Wide, Family	4	Open	Yes
Valdez Public Housing	Community-Wide, Family	31	Open	Yes
Wrangell Housing Choice Voucher	Community-Wide, Family	6	Open	Yes
Wrangell Public Housing	Community-Wide, Family	16	Open	Yes

Please describe any duplication of applicants across waiting lists:

Applicant families may apply to any open waiting list in any community. A community's waiting lists are independent of other communities.

C.2 Planned Changes to Waiting List in the Plan Year

Waiting List Name	Description of Planned Changes to Waiting List
N/A	N/A
N/A	N/A

Each community monitors the applicants on its lists and determines when a list or a particular bedroom size on a waiting list is opened or closed. Waiting list statuses are advertised in local media and available on AHFC's web site.

AHFC's waiting lists will be gradually available through an electronic application process in conjunction with Activity 2023N-2.

III. PROPOSED MTW ACTIVITIES

2025-1 Triennial Recertifications for Special Purpose Disabled Vouchers

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	Pending
Reviewed by HUD	Pending

AHFC is proposing to implement a triennial review schedule for the following special purpose HUD voucher programs; Non-Elderly Disabled (45) and Mainstream (95) along with AHFC's MTW approved vouchers Moving Home Program (150) and Mainstream 811 (10). This subset of 300 vouchers is frequently on fixed income and do not see significant rent changes from year to year. Annual reviews can become burdensome on this population to obtain benefit letters to provide to AHFC.

Triennial reviews will mirror Activity 2014-1G Annual Recertification Requirement for classic families that are disabled and/ or 62 years or older.

- To stagger the future examinations of this population, households will be assigned their next review in either 2025, 2026 or 2027, and will not have another regular review for three years after.
- For household where the annual income is less than \$5,000, staff will conduct a yearly recertification review. The goal of these reviews is to verify if households have successfully confirmed SSI or SSDI income.
- Households are eligible for an interim examination for the loss of unearned income or reduction in earned income. However, households do not need to report incremental increases in income between triennial reviews.

This activity will amend the following MTW Activities 2010-10 Moving Home Program, 2016-01 Mainstream 811 and 2014-1G Annual Recertification Requirement.

2. Metrics

Metric	Baseline	Benchmark	Outcome
Number of reexaminations a year	300	Reduction of 175 reexaminations a year	This equates to a savings of \$5,933 in staff cost every year (1.5 hrs/exam x (175 exams/yr. x \$22.60 HPS II rate).

Metric	Baseline	Benchmark	Outcome
Staff time to perform annual examinations Special Purpose disability vouchers	450	Reduction of hours spent in reexamination	This equates to a savings of 263 staff hours every year (1.5 hrs/exam x (175 exams/yr.).

3. Cost Implications

AHFC anticipates that this activity will provide a cost savings of approximately \$5,933 per year.

4. Need/Justification for MTW Flexibility

AHFC has used triennial examinations for the Classic Program classification for more than 10 years. Through this history, AHFC has learned the cost savings and ease of administration benefits both families and staff. Families are able to save the small incremental increase in SSI/ SSDI COLAs between examination periods.

Statutory Objective

Reduce cost and achieve greater cost effectiveness in federal expenditures

Authorization

Attachment C, paragraphs D.1.c, D.2.a, and D.3.b.

Regulation Citation

HUD regulations at 24 CFR 982.516

IV. APPROVED MTW ACTIVITIES

These activities were approved by HUD in a prior year's plan. Activities are identified by their activity number, the first four digits being the fiscal year the activity was first added to the plan.

A. Implemented

2010-6 NSPIRE Inspections on AHFC Properties

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	April 23, 2009
Reviewed by HUD	August 6, 2009

This activity was implemented with Numbered Memo 11-11 dated March 22, 2011. It became effective April 1, 2011.

2. Description/Update

Allow AHFC to inspect AHFC-owned units and determine rent reasonableness instead of paying a third party to conduct these inspections. This was created to reduce costs associated with voucher holders wanting to use an AHFC voucher in an AHFC-owned property.

Statutory Objective

Reduce cost and achieve greater cost effectiveness in federal expenditures

Authorization

Attachment C, paragraphs D.2.c and D.5

Regulation Citation

24 CFR 982.507

3. Planned Non-Significant Changes

AHFC implemented HUD's new NSPIRE inspection standards effective 10/1/2023.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2010-7 Project-Based Vouchers – Owner-Managed Waiting Lists

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	April 23, 2009
Reviewed by HUD	August 6, 2009

Policy for management of project-based vouchers was issued with Numbered Memo 12-32 on August 21, 2012 with a start date of September 1, 2012.

- MainTree Apartments in Homer – 10 units – came on-line in March 2012.
- Anchorage
 - o Loussac Place – 60 units – the first phase came on-line in July 2012.
 - o Susitna Square – 18 units – came on-line in September 2015
 - o Ridgeline Terrace – 63 units – came on-line in January 2016

2. Description/Update

Owner management of site-based waiting lists for project-based vouchers. Owners are responsible for advertisement, collection of applications, application screening, maintaining a waiting list, and selecting applicants in the appropriate order when filling a vacant unit. AHFC continues to conduct all project-based voucher eligibility functions.

In order to assure proper waiting list management, AHFC conducts an annual quality assurance review of waiting list management processes.

Statutory Objective

- Reduce cost and achieve greater cost effectiveness in federal expenditures
- Increase housing choices for low-income families

Authorization

Attachment C, paragraph D.4

Regulation Citation

24 CFR 983.251

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2010-9 Returning Home Program

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	April 23, 2009
Reviewed by HUD	August 6, 2009

This activity started with Numbered Memo 09-30 dated November 25, 2009. The new program began November 25, 2009 for all AHFC voucher locations outside of Anchorage.

- Revised guidance to expand the pool of applicants was issued with Numbered Memo 10-41 on October 28, 2010 with an effective date of November 1, 2010. This change opened the pool of applicants to all persons under a supervision requirement selected by the State of Alaska Department of Corrections. Specifically, the requirement that parolees be persons with disabilities was eliminated.
- Revised guidance to answer questions regarding the supervision requirement was issued with Numbered Memo 12-17 on April 18, 2012. This memo also put in place the time limit for all persons participating in the program that begin in 2009.
- Revised guidance expanding the program to AHFC's Anchorage jurisdiction was issued with Numbered Memo 15-31 on November 20, 2015 and effective December 1, 2015. This expansion made 20 coupons available for Anchorage.

2. Description/Update

This activity was formerly called "Prisoner Re-Entry". Develop a time-limited (two years), tenant-based rental assistance program targeting civilian re-entry of individuals released from the prison system. The purpose of this activity is to encourage reduction of recidivism due to prisoner homelessness upon release from incarceration.

HOME Funding

Operational and staff costs are supported with MTW funds. AHFC has a fee-for-service for each housing unit month. These HOME administrative fees are booked as non-MTW revenue. AHFC is following HOME rules at 24 CFR 92 for tenant-based assistance. Family annual income is calculated using the rules at 24 CFR 5.630, and families meet HOME income eligibility limits.

MTW Funding

AHFC expanded its program to include the Anchorage jurisdiction using MTW block grant funds. Family annual income is calculated using the rules at 24 CFR 5.630, and families meet Housing Choice Voucher income eligibility limits.

The original benchmark was to serve 10 families per year. AHFC set a new benchmark of 20 families per year in 2010 as the eligibility criteria for families was expanded to include all families meeting State of Alaska Department of Corrections release criteria. Specifically, the requirement that parolees be persons with disabilities was eliminated.

The Anchorage Program has been so successful, that AHFC has increased the number of coupons from 20 to 30 for the remainder of 2017. This increases the overall benchmark from 70 families per year to 100 per year.

AHFC was pleased to form an additional partnership with the State of Alaska Department of Health and Social Services, Division of Behavioral Health, to receive additional funds for rental assistance in 2017. As these funds were limited to one year, AHFC reimbursed the HOME program so that those funds could be used in a future year.

Statutory Objective

Increase housing choices for low-income families

Authorization

- Old authorization: Attachment C, paragraphs D.2.d and D.3.a.
- New authorization: MTW Agreement Attachment D signed January 30, 2012.

Regulation Citation

- 24 CFR 92.209
- 24 CFR 982 Subpart L and 983 Subpart E as necessary to implement the Agency's Annual MTW Plan
- Certain provisions of Sections 16(b) and 8(o)(4) of the 1937 Act as necessary to implement the Agency's Annual MTW Plan.

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2010-10 Moving Home Program

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	April 23, 2009
Reviewed by HUD	August 6, 2009

AHFC signed a Memorandum of Agreement with the State of Alaska Department of Health and Social Services in November 2014, renamed the activity, and put the activity through a new public comment process.

Amended by AHFC Board of Directors	Pending
Approved by the AHFC Board of Directors	July 23, 2014
Reviewed by HUD	April 6, 2015

The program was issued to staff with Numbered Memo 14-33 on December 1, 2014 and was effective on that date.

2. Description/Update

This activity was formerly called “Use of HCV Program for Persons with Disabilities.” The Moving Home Program is a referral-based rental assistance program designed to enable persons with disabilities to rent affordable housing. This program is available in every community currently offering an AHFC Housing Choice Voucher Program. Continuing operation of Moving Home is contingent upon available funding and continuing appropriations.

For the purposes of the agreement, persons with a disability who are eligible for Moving Home are very low-income households (50 percent of Area Median Income) that meet the criteria below:

- Eligible for community-based, long-term services as provided through Medicaid waivers, Medicaid state plan options, state funded services, or other appropriate services related to the target population, **and**
- Meet the U.S. Department of Housing and Urban Development’s definition of a disabled family (24 CFR 5.403), **or** are an Alaska Mental Health Trust Authority beneficiary.

The State of Alaska Department of Health refers eligible families directly to AHFC. Once an applicant family has leased, families are not required to maintain services in order to remain eligible for Moving Home continuing assistance. There is no time limit on these vouchers.

Statutory Objective

Increase housing choices for low-income families

MTW Authorization and Need

Attachment C, paragraphs D.3 and D.4

Regulation Citation

- Sections 8(o)4 of 1937 Act
- 24 CFR 5.603, 5.603, 5.611, 5.628
- 24 CFR 982.201
- Sections 8(o)6, 8(o)(13)(J) and 8(o)(16) of the 1937 Act
- 24 CFR Subpart E, 982.305 and 983 Subpart F

3. Planned Non-Significant Changes

The Alaska Department of Health and Social Services has restructured into two departments. AHFC’s partner agency is now the Department of Health.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

AHFC is proposing activity 2025-1 to allow for triennial examinations for this population.

2011-1 Simplification of Utility Allowance Schedules

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	May 4, 2010
Reviewed by HUD	July 12, 2010

This activity was started with Numbered Memo 11-04 dated January 20, 2011 and effective with the new utility allowance tables that began on February 1, 2011.

2. Description/Update

Combine existing multiple utility allowance tables into a single utility allowance table in Anchorage, Mat-Su, and Valdez. AHFC does not plan to change its evaluation methods of local utility providers when creating a new simplified table for each area identified above.

Statutory Objective

Reduce cost and achieve greater cost effectiveness in federal expenditures

Authorization

Attachment C, paragraph C.11 and D.2

Regulation Citation

24 CFR 982.517

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2011-2 Local Payment Standards

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	May 4, 2010
Reviewed by HUD	July 12, 2010

This activity was delayed due to the development of AHFC's rent reform activity. AHFC decided to develop this with that activity. This was submitted as Amendment Two to the FY2013 MTW Annual Plan.

Approved by the AHFC Board of Directors	February 27, 2013
Reviewed by HUD	April 17, 2013

This activity started with Numbered Memo 14-01 issued January 13, 2014 and effective on February 1, 2014.

2. Description/Update

This activity establishes payment standards that do not rely on HUD's Fair Market Rents for AHFC housing choice voucher jurisdictions. AHFC continues to examine each market on an annual basis to determine if the payment standard is appropriate. AHFC also ensures that it establishes a payment standard that reflects, not leads, the market. As one of its tools, staff uses an annual, independent study conducted by AHFC's Planning and Program Development Department in cooperation with the State of Alaska Department of Labor. This study surveys Alaska's communities and landlords about its housing markets including vacancy rates, market conditions, number of rentals, and utilities. Staff continues to collect its own survey data on rentals in the local market.

Payment standards were recently updated across most of AHFC's voucher jurisdictions effective November 1, 2021.

Statutory Objective

- Reduce cost and achieve greater cost effectiveness in federal expenditures
- Increase housing choices for low-income families

Authorization

Attachment C, paragraph D.2.a.

Regulation Citation

24 CFR 982.503.

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2011-3 Project-Based Vouchers – Waiver of Tenant-Based Requirement

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	May 4, 2010
Reviewed by HUD	July 12, 2010

This policy was implemented with the development of Loussac Place in July 2012.

2. Description/Update

Waive the requirement to provide a tenant-based voucher to a family upon termination of project-based voucher assistance. Families assisted with an AHFC project-based voucher are eligible to apply for any open AHFC waiting list for which they qualify. AHFC monitors the turnover at project-based voucher developments.

Statutory Objective

Reduce cost and achieve greater cost effectiveness in federal expenditures

Authorization

Attachment C, paragraph D.1

Regulation Citation

24 CFR 983.205(2)(d), 983.257, and 983.260

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2011-4 Establish a Sponsor-Based Rental Assistance Program

1. Plan Year Approved, Implemented, Closed, Re-proposed, Amended, Reopened

Approved by the AHFC Board of Directors	May 4, 2010
Reviewed by HUD	July 12, 2010
Closed	April 11, 2011
Amended and Approved by the AHFC Board of Directors	April 26, 2023
Reviewed by HUD	August 11, 2023

2. Description

AHFC reopened activity 2011-4 Sponsor Based Rental Assistance (SBRA) program and consolidated all developed SBRA's under this activity. The approved activities under 2011-4 will be renumbered as follows:

- 2011-4a SBRA Program, Karluk Manor 46 units formerly activity 2012-4
- 2011-4b SBRA Program, Forget-Me-Not Manor 56 units formerly activity 2018-1
- 2011-4c SBRA Program, Dena'ina House 25 units formerly activity 2018-2
- 2011-4d SBRA Program, Bridgeway Community Housing 35 units formerly activity 2021-2
- 2011-4e SBRA Program, Covey Lofts 22 units formerly activity 2023-1
- 2011-4f SBRA Program, HomePlate 15 units

AHFC seeks to develop a Sponsor Based Rental Assistance Program that will award up to 100 units per fiscal year. AHFC will procure sponsors through a competitive application process that may include partnership with AHFC's Planning and Program Development Department. Through Local, Non-Traditional Activities, this MTW activity will allow sponsors to apply for rental assistance through this activity and, if awarded, the process will expedite issuance of funds and assist sponsors in meeting supply chain, pricing and vendor demands for their respective projects. AHFC will then use the MTW reporting process to advise HUD of each property awarded in the fiscal year.

Utilizing savings from Housing Assistance Payment (HAP) efficiencies, AHFC has implemented SBRA programs since 2012 to serve additional families through a program that mirrors the Voucher Program. As the affordable housing stock in Alaska is aging and has challenges meeting inspection standards; the need for safe, quality housing is increasing in our service jurisdictions. Every few years a statewide housing assessment of Alaska is conducted in partnership with the Cold Climate Housing Research Center. The last report was completed in 2018 and assessed 257,000 occupied housing units which included the following findings:

- More than 16,100 homes (6.3 percent) are overcrowded or very overcrowded.
- More than 31 percent (78,959) of households are housing cost-burdened.
- An estimated 16,000 additional affordable housing units are needed to meet the needs of extremely low-income households.
- Current construction in Alaska is not keeping pace with population growth. Construction will need to increase by an additional 255 units per year (11 percent) to meet demand from growing regional areas.

- Construction needs to increase by an additional 2,066 new units per year (90 percent) to fully alleviate overcrowding by 2025.

MTW Authorization and Need

- Attachment D of the MTW Agreement signed January 30, 2012.
- Attachment C, paragraph B.2

Through the use of the Local Non-Traditional Authorizations set forth in Public and Indian Housing Notice 2011-45, AHFC will establish this model to support the demand for new Sponsor-Based developments. This amendment will reactivate the previously closed activity 2011-4.

Final Outcome and Lessons Learned

AHFC continues to develop specialized programs for difficult-to-house and vulnerable families. As each population is identified, AHFC provides details in each activity.

Statutory Objective

Increase housing choices for low-income families

Regulation Citation

Section 3,4,5,8,9 13, 35 of the 1937 Act

- 24 CFR 941 and 960 Subpart B as necessary to implement the Agency's Annual MTW Plan
- Certain provisions of Sections 8(o)1, 8(o)2, 8(o)3, 8(o)10, and 8(o)(13)(H)-(I) of 1937 Act and
- 24 CFR 982.508, 982.503 and 982.518, as necessary to implement the Agency's Annual MTW Plan

3. Metrics Information

HC #1: Additional Units of Housing Made Available

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	0	Not to exceed 100 new units per year	Pending	Pending

4. Cost Implications

AHFC has implemented 4 SBRA activities. The most recent 2018 Sponsor-Based Assistance, Dena'ina House, began in June 2018. Average HAP for those four years is \$528 per month. AHFC anticipates that this activity will cost approximately \$633,600 per year.

5. Need/Justification for MTW Flexibility

SBRA units will address the lack of affordable housing and market strains by streamlining the process to commit funds. The population served will be those at or below 80% AMI. The current administrative process requires a public notice and board approval prior to entering into a MTW Plan for HUD approval. Once the sponsor expresses interest in the

opportunity, AHFC then selects and awards the commitment. This can cause delays in issuing funds until HUD approval is reached.

6. Planned Non-Significant Changes

Construction of approximately 100 units of SBRA units anticipated in this Fiscal year.

7. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

8. Planned Significant Changes

No changes to this activity during this fiscal year.

2011-4a Sponsor-Based Rental Assistance Program, Karluk Manor

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	October 26, 2011
Reviewed by HUD	November 18, 2011

This activity was approved in conjunction with AHFC's request for a second amendment to its Moving to Work Agreement to add Attachment D to allow for the "broader uses of funds". This is a local, non-traditional program.

2. Description/Update

Fund rental assistance outside Section 8 rules consistent with "broader uses of funds" authority in Attachment D of the Agreement. Provide the funding equivalent of 35 project-based voucher units for rental assistance at a Housing First development, Karluk Manor in Anchorage. Karluk Manor's 46 units are fully leased, and AHFC continues to monitor the funding requests each month.

Effective July 1, 2015, assistance was extended to all 46 units at Karluk Manor. Records each month show that all individuals at Karluk Manor are income eligible under voucher income limits. Those units occupied by persons with Housing Choice Voucher assistance are excluded.

Statutory Objective

Increase housing choices for low-income families

Authorization

- Attachment D of the MTW Agreement signed January 30, 2012.
- Attachment C, paragraph B.2

Regulation Citation

- Section 13 and 35 of 1937 Act
- 24 CFR 941 Subpart F

- Section 8 (o) (6), 8 (o) (13) (J) and 8 (o) (16) of 1937 Act and 24 CFR 852 subpart E, 982.305 and 983 Subpart F

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2011-4b Sponsor-Based Assistance, Forget-Me-Not Manor

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	July 26, 2017
Reviewed by HUD	August 18, 2017

The policy for this activity was implemented on February 20, 2018 with Numbered Memo 18-10. Our partner submitted their first billing statement effective November 1, 2017. This development was originally named Alder Manor in AHFC's FY2018 Plan. This is a local, non-traditional program.

2. Description/Update

Through the use of the Local Non-Traditional Authorizations set forth in Public and Indian Housing Notice 2011-45, AHFC established its Housing First RFP.

Fund rental assistance outside Section 8 rules consistent with "broader uses of funds" authority in Attachment D of the Agreement. Provide the funding equivalent of 32 project-based voucher units at a Housing First development, Forget-Me-Not Manor in Juneau.

AHFC continues to provide and monitor funding based on its annual MTW Block Grant appropriation.

Forget-Me-Not Manor was awarded funds to expand its 32 units to 64 units. AHFC added to its sponsor-based rental assistance for 24 of the new 32 units in August 2020. We now subsidize 56 units.

Statutory Objective

Increase housing choices for low-income families

MTW Authorization and Need

- Attachment D of the MTW Agreement signed January 30, 2012.
- Attachment C, paragraph B.2

Regulation Citation

- Section 13 and 35 of the 1937 Act
- 24 CFR 941 subpart F

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2011-4c Sponsor-Based Assistance, Dena'ina House**1. Plan Year Approved, Implemented, Amended**

Approved by the AHFC Board of Directors	October 25, 2017
Reviewed by HUD	November 29, 2017

The policy exhibit was distributed on May 21, 2018 with Numbered Memo 18-24, and it was effective June 1, 2018. The building was ready and the HAP Contract signed on March 30, 2018. Our partner submitted their first billing statement effective May 1, 2018.

2. Description/Update

Through the use of the Local Non-Traditional Authorizations set forth in Public and Indian Housing Notice 2011-45, AHFC established this sponsor-based assistance activity. Fund rental assistance outside Section 8 rules consistent with “broader uses of funds” authority in Attachment D of the Agreement. Provide the funding equivalent of 25 project-based voucher units at a development providing homeless youth with supportive services, Dena'ina House in Anchorage. This is a local, non-traditional program.

AHFC continues to monitor the funding requests each month.

Statutory Objective

Increase housing choices for low-income families

MTW Authorization and Need

- Attachment D of the MTW Agreement signed January 30, 2012.
- Attachment C, paragraph B.2

Regulation Citation

- Section 13 and 35 of the 1937 Act
- 24 CFR 941 subpart F

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2011-4d Sponsor-Based Assistance, Bridgeway Community Housing

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	April 28, 2021
Reviewed by HUD	June 20, 2021

The policy exhibit was distributed on July 20, 2021 with Numbered Memo 21-29, and it was effective August 1, 2021. The building was ready and the HAP Contract signed on June 29, 2021.

2. Description/Update

Through the use of the Local Non-Traditional Authorizations set forth in Public and Indian Housing Notice 2011-45, AHFC established this Sponsor-Based assistance. The purpose of this activity is to provide rental assistance outside Section 8 rules for a new development, Bridgeway Community Housing, in Wasilla, Alaska. The development is operated by Wasilla PSH Associates and provides safe and secure housing for persons who are inappropriately housed in assisted living or experience psychiatric hospitalization and/or incarceration, multiple or lengthy episodes of substance abuse treatment, multiple eviction proceedings, and/or multiple State of Alaska Office of Children's Services interventions, and hard-to-house clients. AHFC provides rental assistance funding for 35 units at Bridgeway Community Housing, Wasilla.

AHFC continues to monitor the funding requests each month.

Statutory Objective

Increase housing choice for low-income families.

MTW Authorization and Need

- Attachment D of the MTW Agreement signed January 30, 2012.
- Attachment C, paragraph B.2

Regulation Citation

- Section 13 and 35 of the 1937 Act
- 24 CFR 941 subpart F

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

Bridgeway II went under contract for 18 units of Sponsor Based Rental Assistance. The policy exhibit was distributed on September 28, 2023 with Numbered Memo 23-24, and it was effective October, 2023. The building was ready and the HAP Contract signed on September 21, 2023.

2011-4e Covey Lofts Sponsor-Based Rental Assistance (SBRA)

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors April 27, 2022

Reviewed by HUD July 19, 2022

The policy exhibit was distributed on February 15th, 2023 with Numbered Memo 23-02, and it was effective March 1, 2023. The building was ready and the HAP Contract signed on January 11th, 2023.

2. Description

Through the use of the Local Non-Traditional Authorizations set forth in Public and Indian Housing Notice 2011-45, AHFC established this sponsor-based assistance activity. Fund rental assistance outside Section 8 rules consistent with “broader uses of funds” authority in Attachment D of the Agreement. Provide the funding equivalent of 22 project-based voucher units at a development providing homeless youth with supportive services, Covey Loft in Anchorage. Covenant House Alaska was the successful bidder with an award of rental assistance for 22 units.

Statutory Objective

Increase housing choices for low-income families

Authorization

- Attachment D of the MTW Agreement signed January 30, 2012.
- MTW Attachment C, paragraph 2, B4, and D2a

Through the use of the Local Non-Traditional Authorizations set forth in Public and Indian Housing Notice 2011-45, AHFC will establish this sponsor-based MTW Activity.

Regulation Citation

Section 3,4,5,8,9 of the 1937 Act

- 24 CFR 941 and 960 Subpart B as necessary to implement the Agency’s Annual MTW Plan
- Certain provisions of Sections 8(o)1, 8(o)2, 8(o)3, 8(o)10, and 8(o)(13)(H)-(I) of 1937 Act and

- 24 CFR 982.508, 982.503 and 982.518, as necessary to implement the Agency's Annual MTW Plan

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2011-4f HomePlate Sponsor-Based Rental Assistance (SBRA)

1. Plan Year Approved, Implemented, Amended

See activity 2011-4 amendment.

The policy exhibit was distributed on January 28, 2023 with Numbered Memo 24-04, and it was effective February 1, 2024. The building was ready and the HAP Contract signed on December 23, 2023.

2. Description

Through the use of the Local Non-Traditional Authorizations set forth in Public and Indian Housing Notice 2011-45, AHFC established this sponsor-based assistance activity. Fund rental assistance outside Section 8 rules consistent with "broader uses of funds" authority in Attachment D of the Agreement. Provide the funding equivalent of 15 project-based voucher units at a development providing homeless disabled persons housing. Nome Community Center was the successful bidder with an award of rental assistance for 15 units.

Statutory Objective

Increase housing choices for low-income families

Authorization

- Attachment D of the MTW Agreement signed January 30, 2012.
- MTW Attachment C, paragraph B.2

Through the use of the Local Non-Traditional Authorizations set forth in Public and Indian Housing Notice 2011-45, AHFC will establish this sponsor-based MTW Activity.

Regulation Citation

- Section 13 and 35 of the 1937 Act
- 24 CFR 941 subpart F

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2011-5 Project-Base Vouchers at AHFC Properties and Exceed 25 Percent Limit per Building

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	May 4, 2010
Reviewed by HUD	July 12, 2010

This policy was implemented with the development of MainTree Apartments and Loussac Place in July 2012.

2. Description/Update

Allow AHFC to project-base vouchers (PBV) at market rental properties it owns and exceed the building cap in project-based voucher developments. This waiver was requested as part of the development to replace public housing units at Loussac Manor. In accordance with PBV policy, rent to owner is determined by an independent entity approved by HUD.

- 1248 East 9th Avenue contains four affordable housing units in one building (two efficiency and two one-bedroom units). Two of the four units are fully accessible. All units are subsidized and were available for occupancy November 2013. Units were fully leased as of January 31, 2014.
- Alpine Terrace contains 48 affordable housing units in four buildings (all are two-bedroom units). AHFC began offering project-based rental assistance in August 2018. No residents have been displaced. AHFC will adjust the number of available project-based vouchers based on future vacancies.
- Loussac Place contains 120 affordable housing units of which 60 are project-based vouchers. The vouchers are distributed throughout the bedroom sizes (one through four) in a variety of buildings throughout the development. Based on the configuration of the development (townhouse-style units), it would have been impossible to successfully use project-based vouchers without this waiver. Units were fully leased in November 2012.
- MainTree Apartments contains 10 affordable housing units reserved for persons with developmental disabilities. Units were fully leased in 2012, and all are subsidized with a project-based voucher.
- Susitna Square contains 18 affordable housing units in three buildings (17 two-bedroom and 1 one-bedroom). All units are subsidized with project-based vouchers and were available for occupancy on September 1, 2015. Units were fully leased as of June 30, 2016.

- Ridgeline Terrace contains 70 affordable housing units in 14 buildings (a mixture of one- and two-bedroom). Sixty-three units have project-based voucher assistance attached and were available for occupancy on January 8, 2016; 53 units were leased as of June 30, 2016.

Statutory Objective

Increase housing choices for low-income families

Authorization

Attachment C, paragraphs D.1.e, D.7.a, and D.7.b

Regulation Citation

24 CFR 983.56

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2012-1 Raise HCV Maximum Family Contribution at Lease-Up to 50 Percent

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	April 20, 2011
Reviewed by HUD	June 21, 2011

This activity was implemented with Numbered Memo 12-09 on February 14, 2012 with a start date of February 16, 2012. This activity is included as part of AHFC's rent reform plan (Activity 2014-1). Reference activity 2014-1h.

2. Description/Update

Waive HUD regulations at 24 CFR 982.508, which limit a family to paying no more than 40 percent of their adjusted monthly income toward their rental portion. A family that is subject to Moving to Work rules will be allowed to pay up to 50 percent of monthly income. Those families on the traditional HUD family contribution rules will use the 40 percent calculation.

With the implementation of 2014-1 Reasonable Rent and Family Self-Sufficiency Initiative, this activity was modified to account for Step Program families that transition to a fixed HAP subsidy. Once on a fixed subsidy amount, these families are no longer be subject to a

maximum family contribution if they decide to move. The family decides if their required contribution is affordable.

Statutory Objective

Increase housing choices for low-income families

Authorization

Attachment C, paragraph D.2.a.

Regulation Citation

24 CFR 982.508

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2012-2 Nonpayment of Rent

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	April 20, 2011
Reviewed by HUD	June 21, 2011

AHFC implemented its new Public Housing Program Residential Lease Agreement effective January 1, 2012 with Numbered Memo 12-03. With Numbered Memo 12-04 issued on January 4, 2012, all public housing families with examinations beginning March 1, 2012 were required to sign the new lease.

A letter was sent to all public housing residents in July 2013 to remind them of their lease provision and the new shortened period to pay their late rent. In addition, the grace period for payment of rent was extended to the seventh (7th) calendar day of each month. AHFC began this activity on September 1, 2013 with Numbered Memo 13-36.

2. Description/Update

Waive HUD regulations at 24 CFR 966.4(l)(3)(i)(A) that require AHFC to allow 14 days for tenants to cure nonpayment of rent. The nonpayment of rent period was shortened to seven days to match the Alaska Landlord-Tenant Act. A new lease with the new timelines was offered to each family at their annual anniversary appointment before implementation for all tenants.

With the issuance of HUD's rule, Extension of Time and Required Disclosures for Notification of Nonpayment of Rent on October 7, 2021, this activity is temporarily suspended. AHFC will resume its seven-day notices once the pandemic emergency subsides.

AHFC resumed this activity on April 1, 2022 but allows for a 30 day period to comply with HUD's interim rule.

Statutory Objective

Reduce cost and achieve greater cost effectiveness in federal expenditures

Authorization

Attachment C, paragraph C.9.b.

Regulation Citation

24 CFR 966.4(l)(3)

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2013-1 Making A Home Program

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	April 4, 2012
Reviewed by HUD	June 25, 2012

A Memorandum of Agreement was executed in July 2012. The program began with Numbered Memo 12-27 dated October 24, 2012 and was effective on November 1, 2012.

2. Description/Update

This activity was formerly named "Youth Aging Out of Foster Care." This is a time-limited (three years), tenant-based rental assistance program targeting youth ages 18 to 24 aging out of Alaskan foster care. The program serves direct referrals from the State of Alaska Department of Health and Social Services, Office of Children's Services.

Due to the success of the Returning Home program (2010-9) with the Alaska Department of Corrections, AHFC partnered with the State of Alaska Office of Children's Services to provide a similar program for youth aging out of foster care.

- HOME Investment Partnership Program funds pay for the monthly HAP for coupons leased outside the Anchorage jurisdiction. Operational and staff costs are supported

with MTW funds. AHFC has developed a fee-for-service for each housing unit month. These HOME administrative fees are booked as Non-MTW revenue. AHFC is following HOME rules at 24 CFR 92 for tenant-based assistance. Family annual income is calculated using the rules at 24 CFR 5.630.

- The State of Alaska Department of Family and Community Services provides an annual allotment to assist ten youth families in Anchorage. The number of families assisted each year is contingent upon available funding. For purposes of consistency and administrative efficiencies, family annual income is calculated using the rules at 24 CFR 5.630.

Due to the success of the Anchorage program, the Department of Health and Social Services provided additional funding to increase the number of youth served in Anchorage to 15 each month starting in FY2016. AHFC matches that contribution for an additional 15 vouchers in Anchorage.

Statutory Objective

Increase housing choices for low-income families

Authorization

- Attachment D of the MTW Agreement signed January 30, 2012 allows for “broader uses of funds.” AHFC will rely on that authority to use MTW block grant funds to partially offset administrative costs to support this HOME-funded activity.
- Attachment C, paragraph B.2
- Attachment C, paragraphs B.1.b.iv, D.2.d, and D.4.

Regulation Citation

- Sections 9(d)(1), 9(e)(1) and Section 8 (o) of 1937 Act
- Section 8 (o) (1), 8(o)2, 8(o)3, 8(o)10, and 8(o)(13)(H)-(I) of the 1937 Act
- 24 CFR 982.508, 982.503 and 982.518
- Sections 8 (o) (6), 8(o) (13) (J) and 8 (o) (16) of 1937 Act
- 24 CFR 982 subpart E, 982.305 and 983 Subpart F

3. Planned Non-Significant Changes

The Alaska Department of Health and Social Services has restructured into two departments. AHFC’s partner agency is now the Department of Family and Community Services.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2013-2 Empowering Choice Housing Program (ECHP)

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors April 4, 2012
Reviewed by HUD June 25, 2012

- This activity began with Numbered Memo 12-40 issued and effective on November 8, 2012 for all AHFC voucher program communities.
- This activity for locations without a Housing Choice Voucher Program began with Numbered Memo 12-42 issued and effective on November 16, 2012 for preferential placement on public housing program waiting lists in Bethel, Cordova, and Nome.

2. Description/Update

In partnership with the State of Alaska Council on Domestic Violence and Sexual Assault and the Alaska Network on Domestic Violence and Sexual Assault (ANDVSA), AHFC created a set-aside of MTW vouchers to exclusively serve families displaced due to domestic violence and sexual assault. This is a time-limited (36 months) program for families qualified and referred directly from the ANDVSA member agency. This program is available in every community currently offering an AHFC Housing Choice Voucher Program.

For those communities without a Voucher Program (Bethel, Cordova, Nome), AHFC offers preferential placement on its Public Housing Program waiting lists for families displaced due to domestic violence. The ANDVSA member agency is responsible for qualifying and referring those families.

Statutory Objective

Increase housing choices for low-income families

Authorization

- Attachment C, paragraph B.2
- Attachment C, paragraphs B.1.b.iv, D.2.d, and D.4.

Regulation Citation

- Sections 9(d)(1), 9(e)(1) and Section 8 (o) of 1937 Act
- Section 8 (o) (1), 8(o)2, 8(o)3, 8(o)10, and 8(o)(13)(H)-(I) of the 1937 Act
- 24 CFR 982.508, 982.503 and 982.518
- Sections 8 (o) (6), 8(o) (13) (J) and 8 (o) (16) of 1937 Act
- 24 CFR 982 subpart E, 982.305 and 983 Subpart F

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2014-1 Reasonable Rent and Family Self-Sufficiency Initiative

1. Plan Year Approved, Implemented, Amended

Amended by AHFC Board of Directors	Pending
Approved by the AHFC Board of Directors	February 27, 2013
Reviewed by HUD	September 10, 2013

- Housing Choice Voucher Program – This activity was issued on January 13, 2014 with Numbered Memo 14-01. New admission families began effective February 1, 2014; transitioning families began with annual examinations effective May 1, 2014 and later.
- Public Housing Program – This activity was issued on April 21, 2014 with Numbered Memo 14-09. New admission families began effective May 1, 2014; transitioning families began with annual examinations effective August 1, 2014 and later.

2. Description/Update

This activity addresses the MTW Agreement requirement to establish a reasonable rent policy designed to encourage employment and self-sufficiency by participating families (MTW Agreement, Section III).

Further clarification of sub-activities for the hardship process, conversion of existing FSS accounts, and voucher portability for Step Program families was sent to HUD with amendments 1 and 2 to the FY2014 MTW Plan.

Statutory Objective

- Reduce cost and achieve greater cost effectiveness in federal expenditures
- Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational, or other programs that assist in obtaining employment and becoming economically self-sufficient
- Increase housing choices for low-income families

Authorization

Attachment C, paragraphs C.4, C.11, D.2, and D.3

Regulation Citation

As listed under each sub-activity below.

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2014-1a Population Definitions

1. Plan Year Approved, Implemented, Amended

As listed under 2014-1 above.

2. Description/Update

AHFC is using the following definitions as part of its rent reform activity.

- **Classic Program Family** is defined as 100 percent of adult household members are either a person with a disability (as defined in 24 CFR 5.403) or 62 years of age or older. These families may include a live-in aide (as defined in 24 CFR 5.403), minors, or full-time dependent students.
- **Full-Time Student** is defined as a dependent adult under the age of 24 who is enrolled as a student at an institution of higher education and meets the school's definition of full-time enrollment. AHFC will continue to disregard any income earned by an individual while full-time student status is maintained.
- **Set-Aside Program Family** – these are families using special purpose or direct referral vouchers that use AHFC's streamlined income calculation method. This includes the Emergency Housing Voucher Program, Empowering Choice Housing Program, Foster Youth to Independence Initiative Voucher Program, Mainstream Voucher Programs, Moving Home Program, New Start Voucher, Non-Elderly Disabled Voucher Program, Project-Based Voucher Program, Tenant Protection Vouchers, Stability Voucher and Veterans Affairs Supportive Housing Voucher Program. As of January 10, 2016, AHFC began absorbing all incoming portable vouchers and classifying families into the Step and Classic programs.
- **Step Program Family** is defined as any household that does not meet the definition of a Classic or Set-Aside Program family.

Statutory Objective

As listed under 2014-1 above.

Authorization

- Public Housing – Attachment C, paragraph C.2.
- Housing Choice Voucher – Attachment C, paragraph D.4.

Regulation Citation

HUD definitions of Working Family, Disabled Family, Elderly Family, and Full-Time Student at 24 CFR 5.403 and 24 CFR 5.612 are used as part of the Classic Program family definition.

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2014-1b Minimum Rent

1. Plan Year Approved, Implemented, Amended

As listed under 2014-1 above.

2. Description/Update

This supporting activity establishes a minimum rent in exception to HUD regulations. HUD regulations require AHFC to establish a minimum monthly rent for the Public Housing and Housing Choice Voucher programs that does not exceed \$50 per month. AHFC has set the following minimum rents as part of its rent reform activity.

- Classic Program family – the minimum rent is \$25. Because AHFC is anticipating that these families will not have wage earners and have fixed income sources, staff felt that it was more reasonable to set a \$25 rate. AHFC does not require a waiver for this proposal.
- Set-Aside Program family – the minimum rent is \$25. AHFC does not require a waiver for this proposal.
- Step Program family – the minimum rent is \$100. Staff felt that this was a more reasonable minimum rent that prepares the family for the increase in their monthly rental obligation in Step Year 2.

Statutory Objective

As listed under 2014-1 above.

Authorization

- Public Housing – Attachment C, paragraph C.11.
- Housing Choice Voucher – Attachment C, paragraph D.2.a.

Regulation Citation

HUD regulations at 24 CFR 5.630.

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2014-1c Utility Reimbursement Payments

1. Plan Year Approved, Implemented, Amended

As listed under 2014-1 above.

2. Description/Update

HUD regulations require AHFC to establish utility allowance schedules for each Voucher and Public Housing jurisdiction, to update those schedules annually, and to pay a utility reimbursement payment when the utility allowance exceeds the family contribution. This supporting activity eliminates utility reimbursement payments for the Voucher and Public Housing programs. Families that may need an adjustment of their subsidy due to unusual or excessive utility requirements may ask for a hardship. See supporting activity 2014-1l for a discussion of the hardship policy.

Statutory Objective

As listed under 2014-1 above.

Authorization

- Public Housing – Attachment C, paragraph C.11.
- Housing Choice Voucher – Attachment C, paragraph D.2.a.

Regulation Citation

- Housing Choice Voucher – 24 CFR 982.517.
- Public Housing – 24 CFR 960.253, 965.502 through 965.506, and 966.4.
- Both – 24 CFR 5.632.

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2014-1d Jumpstart Program

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	July 29, 2015
Reviewed by HUD	December 16, 2015

As listed under 2014-1 above. With Numbered Memo 14-10 issued and effective on April 29, 2014, AHFC began transitioning HUD FSS enrollments to the MTW FSS program. Existing participants were allowed to graduate and receive accumulated escrow balances as part of this transition process.

The Jumpstart Program replaced the MTW Family Self-Sufficiency Program. The Jumpstart Program was submitted as Amendment One to the FY2016 MTW Annual Plan. Enrollment in the MTW Family Self-Sufficiency Program was suspended with Numbered Memo 15-18 issued and effective on June 1, 2015. Any enrollments in process were converted to the new Jumpstart program effective August 1, 2015. New enrollments to the Jumpstart Program began November 1, 2015.

2. Description/Update

This activity was formerly called Family Self-Sufficiency Program. AHFC has operated a voluntary Family Self-Sufficiency Program since 1994. In order to meet the needs of families participating in the Step Program, AHFC expanded the program to all Public Housing and Housing Choice Voucher jurisdictions, as well as increasing the number of families eligible to participate. Jumpstart offers two service levels for families:

- Case Management (level 1) – these families sign a participation agreement, develop an Individual Training and Services Plan, receive individualized coaching and goalsetting services, and are eligible for monetary incentives.
- Incentives Only (level 2) – these families sign a participation agreement and receive counseling regarding available monetary incentives.

Numbered Memo 18-18 dated April 20, 2018 and effective May 1, 2018 increased the amount of incentives available to a Level 1 Case Management family to \$5,000. AHFC also changed its incentive rules to allow a Level 1 family to receive all its incentives in Tuition Assistance.

For families wishing to participate in the Savings Match incentive, AHFC requires that these families complete a financial literacy requirement.

Statutory Objective

Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational, or other programs that assist in obtaining employment and becoming economically self-sufficient

Authorization

Attachment C, paragraph E.

Regulation Citation

Jumpstart is operated under the regulations at 24 CFR 984 and regulations at parts 5, 882, 887, 960, 966, and 982 (except where specifically exempted by this Plan).

Requested waivers are:

- 24 CFR 984.103 – Definition of self-sufficiency; AHFC developed its own definition
- 24 CFR 984.105 – Minimum program size; AHFC expanded the size and jurisdictions under the Jumpstart Program
- 24 CFR 984.202 – Program Coordinating Committee composition; AHFC will be establishing an alternate composition for this committee based on AHFC's geographic challenges
- 24 CFR 984.203 – Family selection; AHFC has defined Jumpstart family selection Priorities
- 24 CFR 984.303 – Contract of Participation; AHFC developed its own Agreement for its Jumpstart participants – Jumpstart Contract of Participation and Incentives Agreement
- 24 CFR 984.303 – Signature of FSS head of household; AHFC has added a procedure to establish an alternate head of household as designated by the assistance head of household for enrollment and participation in Jumpstart and to request financial incentives
- 24 CFR 984.303(b)(2) – Independence from welfare assistance; AHFC is waiving this condition for fulfillment of a Jumpstart Agreement
- 24 CFR 984.303(b)(4) – Suitable employment; the FSS Head of Household must fulfill this requirement
- 24 CFR 984.303(c) – Contract of Participation Term; the Jumpstart Agreement will coincide with the Step Program family's subsidized housing term (this may be less than 5 years) including any Step Extension Years, not to exceed two years
- 24 CFR 984.303(d) – Contract extension; AHFC Jumpstart staff may extend an Agreement at their discretion or if authorized by the Bridge Committee
- 24 CFR 984.303(d)(5)(iii) – Consequences of noncompliance; AHFC will not terminate a family's rental assistance for failure to comply with their Agreement
- 24 CFR 984.303(g) – Completion; An Agreement is complete when the family has fulfilled all of its obligations under the Agreement and the family must be in good standing with AHFC the month they complete the Agreement

- 24 CFR 984.304 – Total tenant payment; AHFC will calculate total tenant payment in compliance with policy in its Housing Choice Voucher Administrative Plan and Public Housing Program Admissions and Occupancy Policy
- 24 CFR 984.305 – FSS Account; AHFC will not offer an FSS Escrow Account. AHFC has developed an alternate structure of financial incentives. Financial Incentives are requested by the FSS Head of Household but are paid either to an educational institution for tuition assistance or, in the case of rewards and Savings Match, to the housing assistance head of household
- 24 CFR 984.306 – Residency and portability requirements; families are not eligible to port Jumpstart participation. Families are not eligible to port FSS Program participation into AHFC's jurisdiction. AHFC will not accept FSS Account balances from other PHAs. Jumpstart incentives must be earned while in an AHFC jurisdiction.

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2014-1e Family Choice of Rent and Flat Rents

1. Plan Year Approved, Implemented, Amended

As listed under 2014-1 above.

2. Description/Update

This supporting activity waives the annual requirement to offer a public housing family the choice of a flat or income-based rent. AHFC currently sets a contract rent rate for its Public Housing units. This contract rent replaces the flat rent. If a family's income rises to a point where their required income-based contribution would exceed the contract rent, AHFC offers the family the contract rent.

AHFC ensures that it establishes a contract rent that reflects, not leads, the market. As one of its tools, staff uses an annual, independent study conducted by AHFC's Planning and Program Development Department in cooperation with the State of Alaska Department of Labor. This study surveys Alaska's communities and landlords about its housing markets including vacancy rates, market conditions, rentals, and utilities.

AHFC continues to compare the fair market rent, current family rent contributions, local rental market vacancy and rental rates, and local advertising materials when selecting a reasonable contract rent. AHFC also continues to add an affordability factor as these rents are meant for low-income families.

A family may exit subsidy and remain in a unit. These families pay a Market Rent, a rate that is higher than the Contract Rent. As an internal control, AHFC sets its market rents within 15 percent of the State of Alaska Department of Labor market survey rate.

Statutory Objective

As listed under 2014-1 above.

Authorization

Attachment C, paragraph C.11.

Regulation Citation

HUD regulations at 24 CFR 960.253.

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2014-1f Ineligible Noncitizen Proration

1. Plan Year Approved, Implemented, Amended

As listed under 2014-1 above.

2. Description/Update

This supporting activity offers an alternate methodology for prorating the assistance available to families with ineligible noncitizen members. Current regulations require:

- Public Housing - AHFC must formulate a “maximum” subsidy each year and update it.
- Voucher - AHFC can give families an estimated figure of their prorated subsidy, but the final figure depends upon the gross rent of the unit rented.

Both procedures are administratively burdensome for the low numbers of ineligible noncitizens in AHFC’s portfolio. For a family with ineligible noncitizen members in the household, AHFC will deduct \$50 from the family’s subsidy as long as the ineligible noncitizen members reside in the household.

Statutory Objective

As listed under 2014-1 above.

Authorization

Attachment C, paragraphs C.4, C.11, D.2.a, and D.3.a.

Regulation Citation

HUD regulations at 24 CFR 5.520.

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2014-1g Annual Recertification Requirement**1. Plan Year Approved, Implemented, Amended**

Amended by AHFC Board of Directors	Pending
Approved by the AHFC Board of Directors	April 4, 2012
Reviewed by HUD	June 25, 2012

2. Description/Update

This supporting activity develops an alternate recertification schedule for families subject to rent reform activities. AHFC continues to require all families to report changes in family composition within ten business days. AHFC continues to pull the Enterprise Income Verification (EIV) report to track income and how the rent reform activity is affecting its clientele.

- Classic Program – these families receive a triennial (every three years) examination. In the no examination years for Public Housing, AHFC continues to verify household composition and certify compliance with community service obligations.
- Step Program – these families receive an income examination at time of admission to determine eligibility under income limit guidelines and set their income-based rent for the first year. Each year, AHFC discusses the EIV report with the family, and the family self-certifies to its accuracy. AHFC does not conduct any additional income verification processes unless the family requests a hardship. AHFC reports these figures on the 50058.
- Set-Aside Program – these families receive an income examination every year.
- Set-Aside Disabled vouchers- Moving Home, Moving Home SAM, Mainstream, Mainstream 811, and Non-Elderly Disabled will receive a triennial (every three years) examination.

Statutory Objective

As listed under 2014-1 above.

Authorization

- Public Housing - Attachment C, paragraphs C.4 and C.11
- Housing Choice Voucher - Attachment C, paragraphs D.1.c, D.2.a, and D.3.b.

Regulation Citation

- Public Housing – HUD regulations at 24 CFR 960.257.
- Housing Choice Voucher – HUD regulations at 24 CFR 982.516

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2014-1h Annual and Adjusted Annual Income Calculation**1. Plan Year Approved, Implemented, Amended**

As listed under 2014-1 above.

2. Description/Update

This supporting activity develops an alternate methodology for calculating a family's annual income. AHFC does not deviate from the following regulations:

- Determination of income sources and which sources are included or excluded as part of a family's annual income.
- Determination of asset sources and when an asset becomes annual income.
- Determination of when a welfare benefit reduction affects annual income.

As part of this plan, AHFC is implementing the following waivers. Families that believe they suffer from a financial hardship due to the elimination of these allowances may request a hardship (see supporting activity 2014-1l in this Plan).

- Elimination of the annual \$525 allowance for an elderly/disabled family.
- Elimination of the allowance of \$480 for each minor dependent in a household.
- Elimination of the medical allowance for out-of-pocket expenses for elderly/disabled families.
- Elimination of the handicap allowance for out-of-pocket expenses that allow a person with disabilities to engage in work activities.
- Elimination of the childcare allowance for out-of-pocket expenses for care of minors under the age of 13 to allow an adult household member to engage in work activities.

AHFC has previously requested waivers for the following regulations and has absorbed them into Activity 2014-1.

- Activity 2010-2 raised the asset threshold from \$10,000 to \$50,000. Now moved under supporting activity 2014-1j.
- Activity 2010-3 eliminated the Earned Income Disallowance program for persons with disabilities and families engaging in work activities. Now moved under supporting activity 2014-1k.

Statutory Objective

As listed under 2014-1 above.

Authorization

- Attachment C, paragraphs C.4 and C.11.
- Attachment C, paragraphs D.2.a and D.3.a.

Regulation Citation

- Both Programs - HUD regulations at 24 CFR 5.611, 24 CFR 5.617, and 24 CFR 5.628
- Public Housing - 24 CFR 960.225 and 24 CFR 966.4(b)(1)
- Housing Choice Voucher – 24 CFR 982.503, 24 CFR 982.505, and 24 CFR 982.508

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

Adopting HOTMA regulations for disabled deduction and asset threshold. These amounts are adjusting yearly for inflation.

2014-1i Portability**1. Plan Year Approved, Implemented, Amended**

Approved by the AHFC Board of Directors	August 21, 2013
Reviewed by HUD	December 31, 2013

This activity was issued with Numbered Memo 14-01 on January 13, 2014.

- Families were allowed to port under traditional HUD rules before their first annual examination for transition to rent reform.
- AHFC was administering vouchers as of February 1, 2014 and classified those families into the Set-Aside Program.
- AHFC absorbed all families that ported into AHFC as of August 1, 2014. These families were allowed to retain their right to port out under traditional HUD rules before their first annual examination for transition to rent reform.
- AHFC began absorbing all port-in families as of August 1, 2015. This policy change was issued with Numbered Memo 15-12 on April 20, 2015.
 - New port-in families as of August 1, 2015 were classified into the Step or Classic Program.
 - Families in the Set-Aside Program were allowed to retain their right to port out under traditional HUD rules before their first annual examination for transition to rent reform.

2. Description/Update

This supporting activity changes AHFC's Housing Choice Voucher Administrative Plan requirements that Step Program families must meet before allowing a family to port AHFC's voucher to another housing authority's jurisdiction. These changes do not impact current HUD regulations regarding portability for Enhanced or Tenant Protection, Emergency Housing, Foster Youth to Independence Initiative, Mainstream, Non-Elderly Disabled, or Veterans Affairs Supportive Housing vouchers. AHFC also continues to offer portability under current HUD regulations to all MTW tenant-based voucher holders that are classified as Classic Program families.

AHFC did not make any changes to the rules governing port-in vouchers, except to classify these families in the Set-Aside Program and streamline the calculation of family income as specified in Activity 2014-1h. Now these families are classified as Classic or Step when choosing to port in to AHFC.

- AHFC continues to enforce the regulations regarding nonresident applicants under 24 CFR 982.353(c).
- AHFC also continues to enforce the regulations regarding income eligibility under 24 CFR 982.353(d).
- AHFC did not make any changes to the regulations under 24 CFR 982.355 regarding administration by receiving PHAs.

AHFC proposes the following limitations for Step Program families seeking to port a voucher from AHFC's jurisdiction.

- **Absorption by the Receiving PHA** – if a receiving PHA is absorbing vouchers, the Step Program family may port their tenant-based voucher if they meet the requirements under 24 CFR 982.353(b).
- **Reasonable Accommodation** – if a Step Program family needs to move their tenant-based voucher to another PHA's jurisdiction in order to accommodate a family member with a disability, AHFC will allow those with appropriate documentation. The family must meet the requirements under 24 CFR 982.353(b).
- **VAWA Protections** – if a Step Program family needs to move their tenant-based voucher to another PHA's jurisdiction in order to receive protections afforded under the Violence Against Women Act (VAWA), AHFC will allow those with appropriate documentation. The family must meet the requirements under 24 CFR 982.353(b).

Statutory Objective

As listed under 2014-1 above.

Authorization

Housing Choice Voucher - Attachment C, paragraph D.1.g.

Regulation Citation

Housing Choice Voucher – 24 CFR 982.353

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2014-1j Income from Assets

1. Plan Year Approved, Implemented, Amended

Amended by AHFC Board of Directors	Pending
Approved by the AHFC Board of Directors	April 23, 2009
Reviewed by HUD	August 6, 2009

This was implemented on October 26, 2009 with Numbered Memo 09-28. This was formerly numbered as Activity 2010-2 and updated as part of the FY2018 Annual Plan. This was wrapped into Activity 2014-1 because it is part of the AHFC rent calculation method.

2. Description/Update

AHFC allows a family to self-certify total family assets up to \$50,000 and excludes the income generated from a family's total assets when assets total less than \$50,000.

Statutory Objective

As listed under 2014-1 above.

Authorization

Attachment C, paragraphs C.11 and D.2.a.

Regulation Citation

24 CFR 5.609

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

Adopting HOTMA regulations for disabled deduction and asset threshold.

2014-1k Earned Income Disallowance

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	April 23, 2009
Reviewed by HUD	August 6, 2009

This was implemented on October 26, 2009 with Numbered Memo 09-28. As of the FY2012 MTW Report, no enrollees remained. This was formerly numbered as Activity 2010-3 and updated as part of the FY2018 Annual Plan. This was wrapped into Activity 2014-1 because it is part of the AHFC rent calculation method.

2. Description/Update

Eliminate the Earned Income Disallowance (EID) and its associated tracking/paperwork times. Existing clients were allowed to finish the program.

Statutory Objective

As listed under 2014-1 above.

Authorization

Attachment C, paragraphs C.11 and D.2.a.

Regulation Citation

24 CFR 5.617 and 960.255

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2014-1l Hardship Policy and Process

1. Plan Year Approved, Implemented, Amended

Amended by AHFC Board of Directors	Pending
Approved by the AHFC Board of Directors	January 8, 2014
Reviewed by HUD	April 30, 2014

The Bridge Process was implemented with rent reform activity 2014-1:

- On February 1, 2014 for Housing Choice Voucher families
- On May 1, 2014 for Public Housing Program families

This was formerly listed in the Appendix of the Annual Plan and updated as part of the FY2018 Annual Plan. This was wrapped into Activity 2014-1 as establishing a method for families to grieve an adverse impact due to an alternate rent calculation activity is a requirement.

2. Description/Update

As a Moving to Work agency, AHFC must develop a reasonable rent policy that encourages employment and self-sufficiency. AHFC refers to this policy as Rent Reform. As part of rent reform, AHFC must also adopt a hardship policy to meet the individual needs of families that request a modification to, exemption from, or temporary waiver to:

- Family requirements under Moving to Work Activity 2014-1 Reasonable Rent and Family Self-Sufficiency; or
- A family's requirement to pay a minimum rent under 24 CFR 5.630; or
- AHFC's elimination of interim examinations under Moving to Work Activity 2014-1.

AHFC's hardship policy is called the Bridge Process. Families transitioning from the traditional rent calculation method to AHFC's rent reform model had access to a one-time "Safety Net".

- The current hardship policy is summarized below.
- AHFC continues to offer a Minimum Rent Exemption procedure for those families subject to the minimum rent.

Beginning in November 2016, AHFC refined the Bridge Policy to a three-tiered process to expedite the processing of family requests. This change was distributed to staff with Numbered Memo 16-27 issued October 20, 2016 and effective November 1, 2016.

The Safety Net period for unexpected loss of income was extended from two months to three months effective February 20, 2017. This was distributed to staff with Numbered Memo 17-10 on February 20, 2017.

2.A Bridge Tier 1

These requests are processed by each local AHFC office. If a family meets the qualifying conditions, staff has the authority to grant a temporary reduction of rent to address the family's hardship. Hardships include:

- Permanent Loss of a Household Member with Income – AHFC will remove the individual and their associated income. If the family is on an income-based formula, the family's contribution is recalculated. If the family is on the Step schedule and experiencing a shelter burden, they may qualify for a temporary reduction of rent as listed in the Safety Net below.
- Safety Net – Unanticipated Income Loss causes a shelter burden for the family. Staff may grant a reduction of the family portion to 50 percent of monthly income for a period of three months. The family is also referred to the Jumpstart program for a consultation and possible enrollment.
- Safety Net – Short-Term Medical/Health Condition of an employed adult that results in the loss of income. Staff may grant a reduction of the family portion to 50 percent of monthly income for a period of three months.

2.B Bridge Tier 2

This level of review is for families with hardship circumstances that exceed staff authority to grant and to provide a level of review for families that disagree with the relief offered at Tier 1. Review at this level also includes recommendations for family requests to appear before the Bridge Committee. Hardship relief that can be granted at this level includes:

- Medical or Child Care Expense Allowance – an allowance for out-of-pocket expenses can be considered when expenses cause a shelter burden in excess of 50 percent of family monthly income. A reduction of the family portion to 50 percent of monthly income for a period of six months can be granted. Persons with disabilities who request the medical expense deduction are handled through the reasonable accommodation process.
- Extension to Tier 1 Safety Net – if a family's initial reduction of rent for three months is not sufficient, the family can ask for an additional three months. If the extension is needed due to the unanticipated loss of income, the family must be an active Jumpstart participant and receive their recommendation for an extension.

2.C Bridge Review of Determinations Under Tier 2

This level of review is for families that disagree with the relief offered at Tier 2. Review at this level also includes recommendations for family requests to be evaluated by the Bridge Committee.

2.D Step Extension Process

Ongoing analyses of Step Program families' progress toward financial self-sufficiency indicates that while some families have achieved great success, others are struggling. To help families that need additional time to achieve goals or stabilize income, AHFC introduced a Step Extension Process. This was issued with Numbered Memo 18-30 on September 20, 2018 with an effective date of November 1, 2018.

Two separate, consecutive, one-year extensions to rental assistance are available. For both extensions:

- Families are required to apply for the extension each year.
- Families must pay more than 50 percent of monthly income toward rent and tenant-paid utilities.
- Families must be compliant with family obligations under their rental assistance program.
- Jumpstart enrollment:
 - o For year one eligibility, families must enroll or become active in Jumpstart.
 - o For year two eligibility, families must have remained active during their year one extension period.
- Rental assistance:
 - o Voucher Step Program families receive 20 percent of the Payment Standard.
 - o Public Housing Step Program families pay 80 percent of the unit's Contract Rent.

A log was created to track Step Program Extension applications and approvals. Reminder notices advising families of the upcoming end of their Step Program rental assistance

were created to remind families that the Step Program is ending and additional assistance may be available through the Step Extension Process.

Statutory Objective

MTW Agreement, Section III

Authorization

Attachment C, paragraphs C.11 and D.2.a.

Regulation Citation

24 CFR 5.617 and 960.255

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2014-3 PBV Inspection Requirements

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	February 27, 2013
Reviewed by HUD	September 10, 2013

This activity began with Numbered Memo 14-27 issued on September 22, 2014 and effective on October 1, 2014.

2. Description/Update

For project-based voucher (PBV) developments, AHFC requires flexibility when determining the number of annual and quality control inspections. The number required may vary depending on the development configuration and number of PBV units.

AHFC is basing its initial and annual inspection requirement on the needs of each individual development. AHFC reserves the right to inspect any time it suspects that the owner is not complying with HUD standards (HQS) or if the fail rate reaches 20 percent at the development. AHFC will continue to investigate tenant complaints regarding the condition of a PBV unit. AHFC will also continue to conduct the initial property and unit inspections before entering into a HAP Contract for the development.

AHFC has an additional quality assurance process for those developments with PBV and Low Income Housing Tax Credit Programs, as AHFC's Internal Audit Department conducts reviews

of the property that include unit inspections. AHFC's quality assurance staff will review Internal Audit's findings and consider those inspections as part of its inspection universe.

Statutory Objective

Reduce cost and achieve greater cost effectiveness in federal expenditures

Authorization

Attachment C, paragraphs D.5 and D.7.d.

Regulation Citation

- 24 CFR 983.103(c) for turnover inspection requirements.
- 24 CFR 983.103(d)(1) for annual inspection random sample requirements.
- 24 CFR 983.103(d)(2) for annual inspection failed unit inspection requirements.
- 24 CFR 983.103(e)(2) for failed inspection follow-up requirements.

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

AHFC implemented HUD's new NSPIRE inspection standards effective 10/1/2024.

2014-4 Ridgeline Terrace and Susitna Square

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	February 27, 2013
Reviewed by HUD	September 10, 2013

AHFC subsidy began for these two developments in accordance with their HAP Contracts. Staff received policy guidance with Numbered Memo 16-29 issued December 20, 2016 and effective on January 1, 2017.

AHFC increased the income limits for eligible families to match the tax credit admission guidelines. These developments are funded with a combination of funds including Low Income Housing Tax Credits and Project-Based Vouchers. The LIHTC program allows admission of families up to 60 percent of area median income. The changes were submitted as Amendment Two to the FY2018 Moving to Work Plan.

Approved by the AHFC Board of Directors	April 27, 2016
Reviewed by HUD	May 17, 2016

2. Description/Update

This activity was formerly named Mountain View and San Roberto Development. AHFC has updated the name to match the developments. AHFC used its MTW funds and its development expertise to support affordable housing acquisition and development. AHFC also pursued disposition and redevelopment of its current Public Housing portfolio through its subsidiary entity, Alaska Corporation for Affordable Housing (ACAH).

- Susitna Square (18 units, 18 project-based vouchers) was ready for occupancy September 1, 2015.
- Ridgeline Terrace (70 units, 63 project-based vouchers) was ready for occupancy January 8, 2016.

Statutory Objective

Increase housing choices for low-income families

Authorization

- Attachment C, paragraph D.3.a
- MTW Agreement Attachment D signed January 30, 2012.

Regulation Citation

- MTW Agreement Attachment D signed January 30, 2012.
- AHFC will follow the guidance set forth in PIH Notice 2011-45.

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

AHFC implemented HUD's new NSPIRE inspection standards effective 10/1/2023.

2015-1 Modify Reasonable Rent Procedure for 5 Percent FMR Decrease

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	May 14, 2014
Reviewed by HUD	April 6, 2015

This activity was implemented on March 20, 2017 with Numbered Memo 17-13 with an effective date of April 1, 2017. There were no changes to the payment standard during this reporting period.

2. Description/Update

Current HUD regulations require a PHA to re-determine rent reasonableness within 60 days of a five percent decrease in the Fair Market Rent (FMR) for any unit under contract. Under

Moving to Work Activity 2011-2, Local Payment Standards, AHFC sets each voucher jurisdiction's payment standard to respond to local market conditions. These are monitored annually and any changes of 5 percent or more in the local market requires an adjustment of the payment standard. Payment standard evaluation and adjustment do not typically occur at the same time that HUD publishes revised FMRs.

AHFC continues to evaluate rent reasonableness prior to signing any new HAP contracts for families that wish to move and for landlord rent increase requests. For those families that are renewing their HAP Contract for their current unit, AHFC conducts rent reasonableness as part of each family's regular examination process. The revised payment standard and rent reasonableness coincide with the effective date of the family's examination.

AHFC expects that this activity will have minimal impact to families as Step Program families receive a reduced percentage of the payment standard each year, and Classic Program families receive triennial examinations.

Statutory Objective

Reduce cost and achieve greater cost effectiveness in federal expenditures

MTW Authorization and Need

Attachment C, paragraph D.2.c

Regulation Citation

24 CFR 982.507(a)(2)(ii)

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2023-2 Security Deposit Assistance Program

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors April 27, 2022

Reviewed by HUD July 19, 2022

The policy exhibit was distributed on September 29, 2022 with Numbered Memo 22-28, and it was effective October 1st, 2022.

2. Description

AHFC offers a security deposit assistance program for families to increase leasing, made possible through the MTW Program and the Local Non-Traditional Program as outlined in PIH-2011-45. Families will only be eligible to receive this payment once. AHFC plans to establish a fixed budget for each fiscal year and will implement a sliding scale of available assistance based on bedroom size of the unit selected.

Statutory Objective

Increase housing choices for low-income families

Authorization

- Attachment D of the MTW Agreement signed January 30, 2012.
- Attachment C paragraph B.1

Regulation Citation

- Section 8 and 9 of 1937 Act and
- 24 CFR 982 and 990 as needed

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2023-3 Establish a Sponsor-Based Rental Assistance and Development Activity with the Alaska Corporation for Affordable Housing

1. Plan Year Approved, Implemented, Re-proposed, Amended

Approved by the AHFC Board of Directors	April 27, 2022
Reviewed by HUD	July 19, 2022
Re-proposed and Approved by the AHFC Board of Directors	April 26, 2023
Reviewed By HUD	August 11, 2023
Amended by the AHFC Board of Directors	Pending

2. Description

AHFC re-proposed activity 2032-2 Alaska Corporation for Affordable Housing (ACAH) Fairbanks Developments as a continuous activity to develop affordable housing throughout the State of Alaska. The Alaska Corporation for Affordable Housing SBRA activities will be numbered as 2023-3 series beginning with 2023-3a Fairbanks Developments; The Meadows and Borealis Park formerly 2023-3b.

Alaska continues to experience escalating rents, increased aging populations and income failing to keep pace with climbing utility and housing costs. AHFC's subsidiary, the Alaska

Corporation for Affordable Housing (ACAH), is working alongside federal, state, and local governments to address the need for affordable housing.

AHFC proposed this activity to pursue the development of up to 60 units of Affordable Housing in a fiscal year and may draw down up to \$15 million of its MTW funding per fiscal year as opportunities arise. ACAH may seek other funding opportunities to finance the full cost of a development as this activity seeks to mitigate financing gaps. Developments supported by this effort may include, but are not limited to properties leveraging Low Income Housing Tax Credits (LIHTC), HOME Investment Partnerships Program, and other funding sources.

Analyses of growth, needs of special populations and income will identify the communities most in need of affordable housing. A challenge in Alaska's market after development is maintaining the unit's affordability in this unprecedented competitive housing market. The use of Sponsor Based-Rental Assistance (SBRA) will ensure low-income families are able to rent these units. AHFC is proposing to offer up to 60 units of SBRA in the fiscal year that eligible families are housed. AHFC has a demonstrated history of increasing housing choices for various populations utilizing SBRA funding in competitive processes. This noncompetitive process with ACAH will target more specialized needs such as the senior housing and family housing demonstrated in the Fairbanks development activities 2023-3a and 2023-3b.

AHFC will utilize the MTW Reporting process to advise of development opportunities procured under this activity including the amount of Sponsor Based-Rental Assistance units. To ensure compliance with the Department of the Treasury's cash management requirements, funds will be drawn down when they are due and payable.

MTW Authorization and Need

- Attachment D of the MTW Agreement signed January 30, 2012.
- Attachment C, paragraphs B.1.b.ii, B.1.c, B.2, B4
- Attachment C, paragraphs D.1.e,

Regulation Citation

- Certain provisions of Section 13 and 35 of the 1937 Act and
- 24 CFR Subpart F, as needed to implement the Agency's MTW Plan
- Certain provisions of Sections 3,4,5,8 and 9 of the 1937 Act and
- 24 CFR 941 and 960 Subpart B as necessary to implement the Agency's Annual MTW Plan

Through the use of the Local Non-Traditional Authorizations set forth in Public and Indian Housing Notice 2011-45, AHFC will establish this model to support the demand for new affordable housing developments.

Statutory Objective

Increase housing choices for low-income families

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2023-3a Fairbanks Development: The Meadows

1. Plan Year Approved, Implemented

Approved by the AHFC Board of Directors

April 27, 2022

Reviewed by HUD

July 19, 2022

The policy exhibit was distributed on September 28th, 2023 with Numbered Memo 23-24, and it was effective October 1, 2023. The building was ready and the HAP Contract signed on August 30th, 2023. Our partner submitted their first billing statement effective September 1, 2023.

2. Description

Alaska Housing Finance Corporation's subsidiary, Alaska Corporation for Affordable Housing (ACAH), constructed an affordable housing development in Fairbanks, Alaska for seniors, consisting of 18 ranch-style duplexes.

These units will be owned and operated by ACAH, a 501(c)(3) non-profit subsidiary of AHFC. The term for these new units to remain categorized as affordable will be subject to LIHTC rules. ACAH will be required to submit a monthly billing statement showing occupancy of the building, tenant contribution to rent, and AHFC subsidy. ACAH will be responsible for monitoring the requirements of their program and calculating annual income.

AHFC anticipates using its streamlined Moving To Work calculation Set Aside rules (see Activity 2014-1). These developments are funded with a combination of funds including Low Income Housing Tax Credits and Sponsor-Based Vouchers. The LIHTC program allows admission of families up to 60 percent of area median income and AHFC anticipates using this income limit.

Statutory Objective

Increase housing choices for low-income families

Authorization

- Attachment C, paragraphs B.1.b.ii, B.1.c, and B.2
- Attachment C, paragraph B.2
- Attachment C, paragraph B4

Regulation Citation

- Certain provisions of Section 13 and 35 of the 1937 Act and
- 24 CFR Subpart F, as needed to implement the Agency's MTW Plan
- Certain provisions of Sections 3,4,5,8 and 9 of the 1937 Act and
- 24 CFR 941 and 960 Subpart B as necessary to implement the Agency's Annual MTW Plan

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2023-3b Fairbanks Development- Borealis Park

1. Plan Year Approved, Implemented,

Approved by the AHFC Board of Directors
Reviewed by HUD

April 27, 2022
July 19, 2022

2. Description

Alaska Housing Finance Corporation's subsidiary, Alaska Corporation for Affordable Housing (ACAH), constructed an affordable housing development in Fairbanks, Alaska for 40 family units. This development will consist of 18 one-bedroom units built in accordance with UFAS, 17 two-bedroom units with one unit built in accordance to UFAS, and 5 three-bedroom units with one unit built in accordance to UFAS. Construction is slated to conclude in Summer 2024.

These units will be owned and operated by ACAH, a 501(c)(3) non-profit subsidiary of AHFC. The term for these new units to remain categorized as affordable will be subject to LIHTC rules. ACAH will be required to submit a monthly billing statement showing occupancy of the building, tenant contribution to rent, and AHFC subsidy. ACAH will be responsible for monitoring the requirements of their program and calculating annual income.

AHFC anticipates using its streamlined Moving To Work calculation Set Aside rules (see Activity 2014-1). These developments are funded with a combination of funds including Low Income Housing Tax Credits and Sponsor-Based Vouchers. The LIHTC program allows admission of families up to 60 percent of area median income and AHFC anticipates using this income limit.

AHFC does not plan to institute a term limit on assistance to the residents of the building. The only restriction is the term of the HAP Contract and the termination of the Moving to Work Demonstration Program.

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2024-01 Landlord Appreciation Program

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors
Reviewed by HUD

April 26, 2023
August 11, 2023

The policy exhibit was distributed on December 28th, 2023 with Numbered Memo 23-29 and it was effective January 1st, 2024.

2. Description

Through the MTW Program, PIH 2022-18, AHFC offers a Landlord Appreciation Program to increase Housing Choice Voucher leasing by encouraging landlord participation, retaining existing landlords, and to broaden the geographic footprint of housing units available to HCV participants. Upon successful inspection and executed HAP Agreement, AHFC will offer a landlord appreciation payment for each executed long-term lease. To retain current Housing Choice Voucher landlords, AHFC will also offer appreciation payments for each executed lease renewal.

AHFC will establish a fixed budget for each fiscal year based on first year's utilization.

Statutory Objective:

Increase housing choices for low-income families

Authorization

- Attachment D of the MTW Agreement signed January 30, 2012.
- Attachment C paragraph B.1 Regulation Citation
- PIH 2022-18

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

2024-02 New Start Voucher Program

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	April 26, 2023
Reviewed by HUD	August 11, 2023

The policy exhibit was distributed on September 28th, 2023 with Numbered Memo 23-26, and it was effective October 1, 2023. The waiting list opened from October 1nd, 2023 to November 2nd, 2023 for navigators to refer current Stabilization families.

2. Description

AHFC established the New Start (formerly named Stabilization) Voucher Program with the support of AHFC's HUD-held HAP reserves to support up to 400 vouchers in AHFC's voucher jurisdictions of Anchorage, Homer, Fairbanks, Juneau, Ketchikan, Kodiak, Mat-Su, Petersburg, Sitka, Soldotna, Valdez and Wrangell. Families assisted through AHFC's Planning and Program Development Department's (PPDD) Stabilization Program, funded through Emergency Rental Assistance (ERA) funds, will begin to reach their assistance limits beginning in April 2023. This activity will target those families scheduled to exit the Emergency Rental Assistance Funded Stabilization Program to ensure a continuous and affordable housing solution.

AHFC will continue to work waitlists concurrently for families on the Housing Choice Voucher waitlist and stabilization families within imminent ending of assistance. This ensures that families on the HCV waitlist do not experience longer wait times due to this program.

Any family receiving assistance through the ERA funded Stabilization Program that meets Housing Choice Voucher Program qualifications, is eligible for a New Start Voucher. Families will then be invited to participate in the Classic or Step Voucher Program based on these AHFC approved 2014-1A Population Definitions. This program will be administered exactly the same as our current Step and Classic Program (see Activity 2014-1) with the exception that these families will be selected from the referral waitlist.

Transition Period

AHFC will partner with the Planning and Program Development Department to offer direct referrals regardless of status on current waiting lists in AHFC's voucher jurisdictions. Families will have the opportunity to accept voucher assistance before the end of their term on the ERA funded Stabilization Program.

Families that transition to the Stabilization voucher will be absorbed into the HCV program when the waitlist is exhausted or on a triennial schedule; whichever comes first.

Statutory Objective

- Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational, or other

programs that assist in obtaining employment and becoming economically self-sufficient

- Increase housing choices for low-income families who leased under the time limited ERA funded Stabilization Program.

Authorization

- Attachment C, paragraphs D.1.b, D.2.a, and D.4
- 2011-45 Local Non Traditional Activity

Regulation Citation

- Sections 8(o)(13)(G) of the 1937 Act and 24 CFR 982.303 and 982.309 as necessary to implement the Agency's Annual MTW Plan
- Certain provisions of Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(0)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982.518, as necessary to implement the Agency's Annual MTW Plan.
- Certain provisions of Sections 8(0)(6), 8(0)(13)(1) and 8(0)(16) of the 1937 Act and 24 CFR 982 Subpart E, 982.305 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan.
- HUD definitions of Working Family, Disabled Family, Elderly Family, and Full-Time Student at 24 CFR 5.403 and 24 CFR 5.612 are used to define Classic Program participants.

3. Planned Non-Significant Changes

No changes to this activity during this fiscal year.

4. Planned Changes to Metrics/Data Collection

No changes to this activity during this fiscal year.

5. Planned Significant Changes

No changes to this activity during this fiscal year.

B. Not Yet Implemented

2010-13 Homeownership Program

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	April 23, 2009
Reviewed by HUD	August 6, 2009

2. Description

AHFC currently has 14 voucher holders receiving assistance for homeownership under a HAP plan. AHFC suspended applications for this program in 2008, when administrative costs exceeded planned expenses. The Board of Directors approved the permanent closure on March 9, 2011.

Statutory Objective

- Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational, or other programs that assist in obtaining employment and becoming economically self-sufficient
- Increase housing choices for low-income families

MTW Authorization and Need

Attachment C, paragraph D.8.a

Regulation Citation

24 CFR 982.625

3. Implementation Plan

AHFC staff researched a homeownership opportunity during 2022. Rather than providing HAP for an extended period or a down payment program, AHFC is working on developing a time-limited program of monthly payments that will support a family during its first three years of homeownership to encourage stabilization and discourage families from returning to rental assistance.

AHFC plans to create a track in its Jumpstart program for those families that wish to pursue homeownership. We would form a partnership with agencies that receive a HUD housing counseling grant in order to ready families for homeownership and provide support post-purchase. AHFC would provide a “stabilization” payment each month to help a family budget for homeownership needs and pay for costs related to home maintenance. A family will remain enrolled in Jumpstart to provide counseling.

Due to prioritization of other hard to house voucher programs, development of this program was delayed. AHFC plans to begin work again during FY2025 and have a program ready for implementation. New benchmarks will be set once the final program is established.

Original Benchmarks

Metric	Baseline	Benchmark	Outcome
Reduce administrative costs of the homeownership program.	\$6,250 per participant	\$1,562 per participant	Pending.

2021-1 Step Program Set-Aside Pilot

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors March 25, 2020
Reviewed by HUD August 26, 2020

2. Description

This activity proposes a set-aside of ten (10) percent of AHFC's current voucher allocation (approximately 440) in AHFC's voucher jurisdictions of Anchorage, Fairbanks, Juneau, Mat-Su, and Soldotna to create a Step Set-Aside voucher program.

Families will be able to apply for both the Housing Choice Voucher waiting list in a community (if it is open) as well as the new Step Set-Aside waiting list. Each jurisdiction will maintain and manage its own waiting list, in the same manner utilized for other AHFC programs. When a family's name reaches the top of the Step Set-Aside waiting list, families will be advised of the program structure and obligations in writing; families can decide to go through the eligibility process or remain on the Housing Choice Voucher waiting list.

Any family that meets Housing Choice Voucher Program qualifications is eligible to apply for the Step Set-Aside Program voucher. The only additional qualification is that the family agrees to meet the conditions of the Step Program voucher. Those conditions include:

- Voucher assistance is limited to five (5) years, with the possibility of two additional one-year terms based on the family's shelter burden at time of exit and willingness to participate in Jumpstart supportive services.
- A family's first year of assistance is based on a family contribution of 28.5 percent of gross monthly income. A family's contribution is then gradually stepped up; the family receives a percentage of the payment each subsequent year as follows.
 - o 60 percent of payment standard in year 2
 - o 50 percent of payment standard in year 3
 - o 40 percent of payment standard in year 4
 - o 30 percent of payment standard in year 5
- See the Hardship Case Criteria section below for a description of the hardship process.

Statutory Objective

- Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational, or other programs that assist in obtaining employment and becoming economically self-sufficient
- Increase housing choices for low-income families

Authorization

Attachment C, paragraphs D.1.b, D.2.a, and D.4

Regulation Citation

None

3. Implementation Plan

Before advertising this voucher set-aside opportunity to the public, AHFC will first advertise it to families on its current waiting lists in the communities of Anchorage, Fairbanks, Juneau, Matanuska-Susitna, and Soldotna. Families will have the opportunity to be placed on a new waiting list for the Step Program Set-Aside and retain their position on the current Housing Choice Voucher Program waiting list.

AHFC is currently investigating the capabilities and opportunities available in its current computer software package for electronic application, waiting list, and intake processes.

C. Activities On Hold

None at this time.

D. Closed Out Activities

2010-1 Reexamination of Income**1. Plan Year Approved, Implemented, Amended**

Approved by the AHFC Board of Directors	April 23, 2009
Reviewed by HUD	August 6, 2009

This activity was implemented with Numbered Memo 10-45 on December 7, 2010. After comments from staff, AHFC implemented this for elderly/disabled Public Housing residents only with Numbered Memo 11-08 on January 27, 2011.

2. Description

Transition elderly and disabled families on fixed income to a biennial examination schedule.

Statutory Objective

Reduce cost and achieve greater cost effectiveness in federal expenditures

MTW Authorization and Need

Attachment C, paragraph C.4 (changed, HCV eliminated)

Regulation Citation

24 CFR 960.257

3. Closure Reason

This activity is closed as AHFC's reasonable rent activity implements an alternate annual family income calculation. This activity was superseded by Activity 2014-1 and its alternate rent structure. This activity is completed.

Final Outcomes and Lessons Learned

Staff reported positive results from reducing the number of annual examinations for families with all adults on fixed income. Success in this activity lead to the use of a triennial examination schedule for Classic Program families. We also learned that the more complicated rent calculation method proposed under this activity was difficult to administer. This lead to the development of the simple 28.5 percent calculation under activity 2014-1.

Describe any Statutory Exceptions that Might Have Provided Benefit to Activity

No comments at this time.

Summary Table

Because this activity was changed from all elderly/disabled households to just Public Housing elderly/households, the original benchmark was revised.

Metric	Baseline	Benchmark	Outcome
Number of reexaminations a year	Zero	Reduction of 1,300 reexaminations a year	Modified in January 2011

Revised Metric	Baseline	Revised Benchmark	Outcome
Staff time to perform annual examinations for a population on fixed income	Zero	Reduction of hours spent in reexamination of 100 percent elderly/disabled families.	462 families are 100 percent elder/disabled. This equates to a savings of 347 staff hours every year (1.5 hrs/exam x (462 ÷ 2) exams/yr.).

2010-4 Rent Simplification

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	April 23, 2009
Reviewed by HUD	August 6, 2009

This activity began with non-MTW activity Interim Reexamination Policy and MTW activities 2010-2 and 2010-3. This activity was closed in the FY2013 MTW Report for the period ending June 30, 2013.

2. Description

Develop an alternate rent structure.

Statutory Objective

Reduce cost and achieve greater cost effectiveness in federal expenditures

MTW Authorization and Need

Attachment C, paragraphs C.11 and D.2.a

Regulation Citation

24 CFR 5.609

3. Closure Reason

With the implementation of Activity 2014-1 Reasonable Rent and Family Self-Sufficiency, this activity was no longer needed.

Final Outcome and Lessons Learned

Staff reported positive results from former activity 2010-2 (Asset Threshold) as it decreased staff time verifying small asset balances. It also decreased error rates for posting and updating small asset balances. Positive results from this activity encouraged the incorporation of former activity 2010-2 into activity 2014-1 as 2014-1h.

Former activity 2010-3 (EID Elimination) showed immediate results in the decrease of staff administrative time. AHFC wanted to incentivize families to increase income from wages, but past results from the Earned Income Disallowance did not produce long-term results by encouraging families to retain employment once the disallowance period ended. AHFC considered these results when evaluating how to better incentivize families to retain employment.

Describe any Statutory Exceptions that Might Have Provided Benefit to Activity

No comments at this time.

Summary Table

This activity was never fully developed, so no benchmarks or outcomes are available.

2010-5 HQS Inspections

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	April 23, 2009
Reviewed by HUD	August 6, 2009

This activity was started with Numbered Memo 12-13 dated April 17, 2012. The new policy began May 1, 2012.

- AHFC has implemented a biennial schedule instead of annual HQS inspections.
- AHFC continues to ensure a unit passes HQS before it goes under a HAP contract.
- AHFC continues to conduct inspections regarding possible HQS violations in between biennial inspections.

2. Description/Update

Establish an alternate inspection schedule by allowing for biennial inspections. Allow inspections conducted by other AHFC inspection-qualified staff to serve as quality control inspections.

Statutory Objective

Reduce cost and achieve greater cost effectiveness in federal expenditures

Authorization

Attachment C, paragraphs D.5 and D.7(d)

Regulation Citation

24 CFR 982.405

3. Closure Reasons

Federal regulations at 24 CFR 982.405 have codified biennial inspections as of 5/11/2023. The waiver is no longer needed. Activity completed.

This activity is closed as part of the submission of the FY2025 Annual Plan.

Final Outcome and Lessons Learned

Landlords and families reported positive results from former activity 2010-5 (HQS Inspections) as it decreased the time needed for parties to be present at inspections. AHFC wanted to incentivize families and landlords that regularly maintain the units while giving the flexibility to provide special on request inspections.

This activity showed immediate results in the decrease of staff administrative time.

Describe any Statutory Exceptions that Might Have Provided Benefit to Activity

No comments at this time.

2010-8 Live-In Aides

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	April 23, 2009
Reviewed by HUD	August 6, 2009

2. Description

Restructure the live-in aide program to coordinate with the state-funded agencies that provide most of the live-in aides for low-income Alaskans.

Statutory Objective

Increase housing choices for low-income families

MTW Authorization and Need

Attachment C, paragraph D.4

Regulation Citation

24 CFR 982.316

3. Closure Reason

PIH Notice 2009-22 revised guidance issued in 2008-20. With issuance of revised guidance, the waiver was not needed. Activity completed.

Final Outcome and Lessons Learned

AHFC never instituted this activity as the PIH notice was issued prior to development or implementation of this activity.

Describe any Statutory Exceptions that Might Have Provided Benefit to Activity

No comments at this time.

Summary Table

This activity was never fully developed, so no benchmarks or outcomes are available.

2010-11 Project-Based Voucher Assistance in Transitional Housing

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	April 23, 2009
Reviewed by HUD	August 6, 2009

2. Description

Project-base vouchers for no longer than 24 months in transitional housing that serves homeless or hard-to-serve populations.

Statutory Objective

Increase housing choices for low-income families

MTW Authorization and Need

Attachment C, paragraph B.4

Regulation Citation

24 CFR 983.53

3. Closure Reason

AHFC has not pursued project-based vouchers in a transitional facility as AHFC has targeted voucher funds to specific, vulnerable populations (Returning Home Program (2010-9), Sponsor-Based Rental Assistance Program at Karluk Manor (2012-4), Forget-Me-Not Manor (2018-1), and Dena'ina House (2018-2), Making A Home Program (2013-1), and Empowering Choice Housing Program (2013-2)). AHFC continues to speak with its community partners for possible opportunities using this flexibility.

Final Outcomes and Lessons Learned

No comments at this time.

Describe any Statutory Exceptions that Might Have Provided Benefit to Activity

No comments at this time.

Summary Table

This activity was never fully developed, so no benchmarks or outcomes are available.

2010-12 Local Preferences**1. Plan Year Approved, Implemented, Amended**

Approved by the AHFC Board of Directors	April 23, 2009
Reviewed by HUD	August 6, 2009

2. Description

Remove a homeless or substandard housing preference from a family that refuses to accept an offer of one or more Public Housing units.

Statutory Objective

Reduce cost and achieve greater cost effectiveness in federal expenditures

MTW Authorization and Need

Attachment C, paragraph C.2

Regulation Citation
24 CFR 982.205

3. Closure Reason

On July 1, 2012, AHFC altered its application process to remove the availability of preferences in favor of a list that is ranked by date and time of application. AHFC honored preferences for those families who applied for the old preference-based waiting list. AHFC exhausted its last preference-based waiting list in FY2017. This activity is closed.

Final Outcome and Lessons Learned

AHFC had proposed this activity as families with homeless preferences were declining a public housing unit offer while they “waited” for a voucher. AHFC never instituted this activity as we eliminated preferences from all our waiting lists. As those lists were being exhausted and closed, the need for this activity diminished.

Describe any Statutory Exceptions that Might Have Provided Benefit to Activity

No comments at this time.

Summary Table

This activity was never fully developed, so no benchmarks or outcomes are available.

2010-14 AHFC Alternate Forms

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	April 23, 2009
Reviewed by HUD	August 6, 2009

2. Description

Using HUD forms as a base, develop customized AHFC forms to coincide with MTW activities.

Statutory Objective

Reduce cost and achieve greater cost effectiveness in federal expenditures

MTW Authorization and Need

Attachment C, paragraph D.1

3. Closure Reason

As suggested by HUD, this activity is closed with the publication of the FY2015 Annual Plan. AHFC will continue to develop forms that are based on HUD forms and will identify those needed forms as part of each activity.

Final Outcome and Lessons Learned

Not applicable. AHFC does continue to develop custom forms for use with activities. Custom forms are submitted as part of AHFC's activities.

Describe any Statutory Exceptions that Might Have Provided Benefit to Activity

No comments at this time.

Summary Table

At the time of this activity, no benchmarks or outcomes were developed.

2012-3 Waiver of Automatic Termination of HAP Contract**1. Plan Year Approved, Implemented, Amended**

Approved by the AHFC Board of Directors	April 20, 2011
Reviewed by HUD	June 21, 2011

2. Description

Waive HUD regulations at 24 CFR 982.455 that require AHFC automatically terminate a HAP contract 180 days after the last housing assistance payment to the owner.

MTW Authorization and Need

Attachment C, paragraphs D.1.a and D.2.d.

Regulation Citation

24 CFR 982.455 and language in the Housing Assistance Payments Contract, Part B, Section 4, Term of HAP Contract.

3. Closure Reason

With the implementation of Activity 2014-1 Reasonable Rent and Family Self-Sufficiency Initiative, AHFC provided time limits to its work-able families. The remaining population, Classic Program families, consist of elderly and disabled families. These are the most vulnerable families, and AHFC does not wish to place restrictions on these families.

This activity is closed as part of the submission of the FY2018 Annual Plan.

Final Outcome and Lessons Learned

AHFC implemented its rent reform activity prior to implementation of this activity. As a result, no baselines or benchmarks were developed.

Describe any Statutory Exceptions that Might Have Provided Benefit to Activity

No comments at this time.

Summary Table

At the time of this activity, no benchmarks or outcomes were developed.

2013-3 Income Limits

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	April 4, 2012
Reviewed by HUD	June 25, 2012

2. Description

In order to address community concerns about services to those most disadvantaged due to inadequate access to decent, safe, and sanitary housing, AHFC is proposing to lower its income limits to serve those populations most in need.

Statutory Objective

Increase housing choices for low-income families

MTW Authorization and Need

- Attachment C, paragraph C.5 (Public Housing admission)
- Attachment C, paragraph D.3 (Housing Choice Voucher admission)

Regulation Citation

In the Moving to Work Agreement (Section II.D), AHFC agreed to ensure that at least 75 percent of families assisted are very low-income (50 percent of area median income) families. AHFC continues to measure this compliance each year as part of its annual reporting process.

3. Closure Reason

This activity has been incorporated into AHFC's Moving to Work planning process. With the implementation of set-asides for vulnerable populations, AHFC feels it has addressed the need for affordable housing for its poorest and most vulnerable families.

Final Outcome and Lessons Learned

AHFC's certification as part of its Annual Report demonstrates that AHFC continues to serve the poorest families in its jurisdictions. This was achieved through development of the Empowering Choice Housing Program (Activity 2013-2), Making A Home Program (Activity 2013-1), Moving Home Program (Activity 2010-10), Returning Home Program (Activity 2010-9), and Sponsor-Based Rental Assistance Programs (Activities 2012-4, 2018-1, and 2018-2).

Describe any Statutory Exceptions that Might Have Provided Benefit to Activity

No comments at this time.

Summary Table

At the time of this activity, no benchmarks or outcomes were developed.

2014-2 Use of TIC Sheets for PBV Income Calculations

1. Plan Year Approved, Implemented, Amended

Approved by the AHFC Board of Directors	February 27, 2013
Reviewed by HUD	September 10, 2013

2. Description

For project-based voucher (PBV) developments that also utilize Low Income Housing Tax Credit (LIHTC) Program financing, AHFC would like to substitute the LIHTC Tenant Income Certification (TIC) for income and asset verification and determination of subsidy.

Statutory Objective

Reduce cost and achieve greater cost effectiveness in federal expenditures

MTW Authorization and Need

Attachment C, paragraphs D.2.a. and D.3.

Regulation Citation

HUD regulations at 24 CFR 983.2(c)(6)(ii) which refers to 24 CFR 982.516.

3. Closure Reason

AHFC began talks with an operator of its project-based vouchers and discovered after further consultation that AHFC staff would prefer to mirror traditional Classic and Step Program calculations for ease of administration. AHFC began the process of converting its current traditional project-based voucher families to a streamlined rent calculation instead. This activity is closed as part of the submission of the FY2018 Annual Plan.

Final Outcome and Lessons Learned

Initial cooperation with third-party managers of properties with project-based vouchers demonstrated that this might be an administrative efficiency that AHFC could implement. Further discussions with these managers after implementation of rent reform revealed that these managers liked AHFC's Classic and Step program models. AHFC has since implemented these models for new developments (Ridgeline Terrace and Susitna Square) and implemented the streamlined calculation method (2014-1h) for existing project-based locations.

Describe any Statutory Exceptions that Might Have Provided Benefit to Activity

No comments at this time.

Summary Table

At the time of this activity, no benchmarks or outcomes were developed.

2016-1 Section 811 Sponsor-Based Assistance Match

1. Plan Year Approved or Amended

Reviewed & Approved by HUD

9/14/2015

2. Description

Formerly called the Housing First Sponsor-Based Assistance RFP. Under the Moving to Work Demonstration Program, housing authorities have the authority to fund rental assistance outside of Section 8 and 9 regulations under the 1937 Housing Act. When this activity was first proposed in AHFC's FY2018 Annual Plan, PHD planned to collaborate with our Planning and Program Development Department to offer additional project-based vouchers to incentivize owners to participate in the Section 811 project-based rental assistance program. AHFC has solicited two proposals for the award of these funds with unsuccessful responses prior to the selection of its current partner. At this time, none of the private market owners that dedicated units to the Section 811 project-based vouchers want the additional units offered by the Public Housing Department.

PHD offered to change the form of additional subsidy from a project-based voucher to sponsor-based rental assistance for ease of administration. At this time, AHFC has not received any new requests for Section 811 project-based rental assistance.

AHFC is eligible to obligate Section 811 funds through September 2023.

Statutory Objective

Increase housing choices for low-income families.

MTW Authorization and Need

- Attachment D of the MTW Agreement signed January 30, 2012.
- Attachment C, paragraph B.2

Regulation Citation

- Section 13 and 35 of the 1937 Act
- 24 CFR 941 subpart F

3. Closure Reason

The deadline to obligate Section 811 funds ended in September 2023. AHFC did not have any successful awards under this activity.

This activity is closed as part of the submission of the FY2025 Annual Plan.

Final Outcome and Lessons Learned

The State of Alaska was anticipating that more private market owners would choose to participate in this program. Because the response level was low, the State of Alaska has families that would qualify under this program unable to secure a unit. As a result, the State of Alaska has dedicated monies to a tenant-based program in partnership with AHFC. At this time, the monies serve approximately ten (10) families per year.

AHFC learning that owners seeking sponsor based rental subsidies also needed capital for development the GOAL program serves the upfront development cost and sponsor-based assistance. Six developments were awarded this type of funding under activities 2011-4 and 2023-3 during the lifespan of this activity.

Describe any Statutory Exceptions that Might Have Provided Benefit to Activity

No comments at this time.

Summary Table

At the time of this activity, no benchmarks or outcomes were developed.

V. PLANNED APPLICATION OF MTW FUNDS

A. Planned Application of MTW Funds

A.1 Estimated Sources of MTW Funds

FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	\$9,031,702
70600	HUD PHA Operating Grants	\$50,682,212
70610	Capital Grants	\$800,000
70700 (70710 + 70720 + 70730 + 70740 + 70750)	Total Fee Revenue	\$2,748,174
71100+72000	Interest Income	\$238,237
71600	Gain or Loss on Sale of Capital Assets	\$0
71200 + 71300 + 71310 + 71400 + 71500	Other Income	\$7,787
70000	Total Revenue	\$63,508,112

A.2 Estimated Application of MTW Funds

FDS Line Item	FDS Line Item Name	Dollar Amount
91000 (91100 + 91200 + 91400 + 91500 + 91600 + 91700 + 91800 + 91900)	Total Operating - Administrative	\$9,820,566
91300 + 91310 + 92000	Management Fee Expense	\$2,308,006
91810	Allocated Overhead	\$0
92500 (92100 + 92200 + 92300 + 92400)	Total Tenant Services	\$951,084
93000 (93100 + 93600 + 93200 + 93300 + 93400 + 93800)	Total Utilities	\$5,930,278
93500 + 93700	Labor	\$0
94000 (94100 + 94200 + 94300 + 94500)	Total Ordinary Maintenance	\$5,390,460
95000 (95100 + 95200 + 95300 + 95500)	Total Protective Services	\$100,000
96100 (96110 + 96120 + 96130 + 96140)	Total Insurance Premiums	\$1,993,737
96000 (96200 + 96210 + 96300 + 96400 + 96500 + 96600 + 96800)	Total Other General Expenses	\$408,367
96700 (96710 + 96720 + 96730)	Total Interest Expense and Amortization Cost	\$0
97100 + 97200	Total Extraordinary Maintenance	\$568,624
97300 + 97350	Housing Assistance Payments + HAP Portability-In	\$29,498,104
97400	Depreciation Expense	\$5,090,755
97500 + 97600 + 97700 + 97800	All Other Expenses	\$1,448,131
90000	Total Expenses	\$63,508,112

Please describe any variance between Estimated Total Revenue and Estimated Total Expenses:

N/A

A.3 Description of Planned Application of MTW Funding Flexibility

During FY2025, AHFC will allocate MTW Block Grant revenues among our housing and administrative programs. AHFC uses single fund authority to support the following local programs:

- Helping resident and voucher households in its Jumpstart program (see Activity 2014-1d) achieve greater economic stability through attaining education goals, overcoming barriers, and gaining job opportunities through the payment of incentives.
- Offering rental assistance to vulnerable, very low-income persons that may not be normally served in traditional HUD programs (see Activities 2011-4a, 2011-4b, 2011-4c, 2011-4d 2011-4e. 2011-4f, 2023-2, 2023-3a and 2024-1). We will be expanding assistance opportunities with pending activities (see Activities 2010-13, 2021-1, 2023-3b, and 2024-2).
- Providing direct support of local low-income housing operations and capital repairs to ensure safe, decent, and affordable housing.

A.4 Planned Application of PHA Unspent Operating Fund and HCV Funding

Original Funding Source	Beginning of FY – Unspent Balances	Planned Application of PHA Unspent Funds during FY
HCV HAP	\$48,124,424	\$10,000,000.00
HCV Admin Fee	\$ 5,545,504	\$2,000,000.00
PH Operating Subsidy	\$16,463,840	\$5,000,000.00
Total	\$70,133,768	\$17,000,000.00

AHFC anticipates that all HUD budgeted funds will cover expenses. AHFC also has significant funds in HUD-held HAP reserves and has an implementation plan to address spending of those funds over a period of five (5) years, to:

- Increase Affordable Housing Opportunities. We plan to increase statewide affordable housing capacity by leveraging resources and using flexibilities of the MTW program and the Alaska Corporation for Affordable Housing (ACAH): \$25M
- Ensure Safety of People and Housing. We will continue to make the safety of residents, clients, and staff a priority in order to support the mission: \$3M
- Accelerate Digital transformation. We are in the process of transitioning to a digital strategy that will make a meaningful impact on staff workload, relationships with clients and landlords, and our ability to collect, manage, and report on data required to support our mission: \$2M
- Address Acute Staffing Shortage. We will relieve pressure on current staff and clients by reaching full organization capacity through hiring and retention: \$2.7M
- Reorient Voucher Programs to Meet Changing Community Needs. We will evaluate the changing needs of communities, individuals, and landlords and develop new programs or revise existing ones to meet those needs: \$5M

- Develop a Framework to Assess the Long-Term Viability of Owned Properties. We will build and foster skill sets and infrastructure that are required to assess the financial condition of individual properties: \$3M

A.4 Local Asset Management Plan

Is the MTW PHA allocating costs within statute?	Yes
Is the MTW PHA implementing a local asset management plan (LAMP)?	No
Has the MTW PHA provided a LAMP in the appendix?	No
If the MTW PHA has provided a LAMP in the appendix, please describe any proposed changes to the LAMP in the Plan Year or state that the MTW PHA does not plan to make any changes in the Plan Year.	N/A

A.5 Rental Assistance Demonstration (RAD) Participation

AHFC does not have any RAD activities at this time.

Description of RAD Participation	N/A
Has the MTW PHA submitted a RAD Significant Amendment in the appendix? A RAD Significant Amendment should only be included if it is a new or amended version that requires HUD approval.	N/A
If the MTW PHA has provided a RAD Significant Amendment in the appendix, please state whether it is the first RAD Significant Amendment submitted or describe any proposed changes from the prior RAD Significant Amendment?	N/A

VI. ADMINISTRATIVE

- A. Board Resolution and Certifications of Compliance
- B. Documentation of Public Process
- C. Planned and Ongoing Evaluations
- D. Lobbying Disclosure
- E. Appendix

A. Board Resolution and Certifications of Compliance

A.1 Board Resolution for FY2025 Annual Plan

Pending

A.2 Certifications of Compliance

Pending

B. Documentation of Public Process

B.1 Public Notice for FY2025 Moving to Work Plan

Alaska Housing Finance Corporation published a public notice seeking comment on the FY2025 Annual Plan on its web site and in the *Anchorage Daily News*, *Fairbanks News-Miner*, and *Juneau Empire* newspapers. The notice was published on March 1, 2024 on AHFC's web site.

Public Comment and Hearing Notice

Alaska Housing Finance Corporation
Moving to Work Plan and Capital Fund Program

The public is invited to participate in a 30-day public comment period and a statewide teleconference to provide comments on the Alaska Housing Finance Corporation (AHFC) FY2025 Moving to Work (MTW) Plan and Capital Fund Program. The Plan is available on the AHFC website at www.ahfc.us/tenants/resources/mtw-plans-and-reports. The public may also obtain a copy of the Plan by calling Regina O'Keefe at 907-330-8432 or 800-478-2432, outside of Anchorage.

1. Written comments are accepted until **March 31st, 2024**. Please submit comments to klong@ahfc.us or mail to:

Alaska Housing Finance Corporation (AHFC)
ATTN: Korene Long
PO Box 101020
Anchorage, AK 99510-1020

2. A public hearing is scheduled for: **March 21st, 2024, 4:30-6:00 p.m.**

4300 Boniface Parkway Anchorage, AK 99501
Board Room

Individuals unable to attend the hearing in person may participate by telephone at **877-668-4493**; the "**meeting number**" to the hearing is **2663 907 0321**. No password is required.

Section 230 of the Consolidated Appropriations Act of 2008 designates AHFC as an MTW agency. The MTW designation allows AHFC to waive parts of the 1937 Housing Act and regulations to address local needs. Requested waivers are detailed in the Plan. The Plan also outlines general information about resources and operations of the AHFC Public Housing Division.

AHFC complies with Title II of the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973. Individuals with disabilities who may need auxiliary aids, services, or special modifications to participate in this public meeting should call **907-330-8432** at least three business days prior to the scheduled meeting date to arrange an accommodation.

B.2 Anchorage Daily News Affidavit of Publication

ANCHORAGE DAILY NEWS

AFFIDAVIT OF PUBLICATION

Account #: 109426 AK HOUSING FINANCE CORP
PO BOX 100320, ANCHORAGE, AK 99510

Order #: W0043176

Cost: \$498.78

STATE OF ALASKA
THIRD JUDICIAL DISTRICT

Lisi Misa being first duly sworn on oath deposes and says that she is a representative of the Anchorage Daily News, a daily newspaper. That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said newspaper on

03/01/2024, 03/14/2024

and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Signed Lisi Misa

Subscribed and sworn to before me
this 15th day of March 2024.

Lisa McGuire

Notary Public in and for
The State of Alaska
Third Division
Anchorage, Alaska

MY COMMISSION EXPIRES

2026-08-04

Public Comment and Hearing Notice Alaska Housing Finance Corporation Moving to Work Plan and Capital Fund Program

The public is invited to participate in a 30-day public comment period and a statewide teleconference to provide comments on the Alaska Housing Finance Corporation (AHFC) FY2025 Moving to Work (MTW) Plan and Capital Fund Program. The Plan is available on the AHFC website at www.ahfc.us/tenants/resources/mtw-plans-and-reports or <https://www.ahfc.us/publichousing/resources/mtw-plans-and-reports/>. The public may also obtain a copy of the Plan by calling Regina O'Keefe at 907-330-8432 or 800-478-2432, outside of Anchorage.

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Alaska Housing Finance Corporation (AHFC)
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2. A public hearing is scheduled for: March 21st, 2024, 4:30-6:00 p.m.

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Board Room

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Section 230 of the Consolidated Appropriations Act of 2008 designates AHFC as an MTW agency. The MTW designation allows AHFC to waive parts of the 1937 Housing Act and regulations to address local needs. Requested waivers are detailed in the Plan. The Plan also outlines general information about resources and operations of the AHFC Public Housing Division.

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Pub: Mar. 1, 14/2024

Lisa M. McGuire
ELECTRONIC NOTARY PUBLIC
STATE OF ALASKA
MY COMMISSION EXPIRES 08-04-2026

B.3 Fairbanks Daily News-Miner Affidavit of Publication

AFFP

PN Moving to Work Plan

Affidavit of Publication

STATE OF ALASKA }
COUNTY OF FAIRBANKS } SS
NORTH STAR BOROUGH }

Kaira Lum, being duly sworn, says:

That she is Affidavit Clerk of the Fairbanks Daily News-Miner, a daily newspaper of general circulation, printed and published in Fairbanks, Fairbanks North Star Borough County, Alaska; that the publication, a copy of which is attached hereto, was published in the said newspaper on

March 01, 2024, March 14, 2024

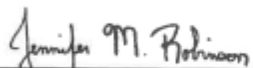
That said newspaper was regularly issued and circulated on those dates.

SIGNED:



Affidavit Clerk

Subscribed to and sworn to me this 14th day of March 2024.



Jennifer M Robinson, Notary Public, Fairbanks North Star Borough County, Alaska
My commission expires: February 11, 2026

00007758 00073184 907-338-9218

Kayla Richardson
Alaska Housing Finance Corp
PO BOX 101020
Anchorage, AK 99510

STATE OF ALASKA
NOTARY PUBLIC
Jennifer M. Robinson
My Commission Expires February 11, 2026



00073184
Public Comment and Hearing Notice
Alaska Housing
Finance Corporation
Moving to Work Plan and Capital Fund
Program

The public is invited to participate in a 30-day public comment period and a statewide teleconference to provide comments on the Alaska Housing Finance Corporation (AHFC) FY2025 Moving to Work (MTW) Plan and Capital Fund Program. The Plan is available on the AHFC website at www.ahfc.us/tenants/resources/mtw-plans-and-reports. The public may also obtain a copy of the Plan by calling Regina O'Keefe at 907-330-8432 or 800-478-2432, outside of Anchorage.

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2. A public hearing is scheduled for:
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Individuals unable to attend the hearing in person may participate by telephone at 877-668-4493; the "meeting number" to the hearing is 2663 907 0321. No password is required.

Section 230 of the Consolidated Appropriations Act of 2008 designates AHFC as an MTW agency. The MTW designation allows AHFC to waive parts of the 1937 Housing Act and regulations to address local needs. Requested waivers are detailed in the Plan. The Plan also outlines general information about resources and operations of the AHFC Public Housing Division.

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Publish: 3-1
& 3-14-2024

B.4 Juneau Empire Affidavit of Publication

PUBLISHER'S AFFIDAVIT

UNITED STATES OF AMERICA,
STATE OF ALASKA

} SS:

Cara Hall, being first duly sworn, on oath deposes and says:
That I am and was at all times here in this affidavit mentions,
Supervisor of Legals of the Sound Publishing / JUNEAU EMPIRE, a
newspaper of general circulation and published at JUNEAU, Alaska, that
the advertisement, a printed copy of which is hereto annexed was
published in said paper on the dates listed below:

Moving work plan and Capt Fund Program
March 2, 2024
March 13, 2024

Cara Hall

SUBSCRIBED AND SWORN before me on this

KTH day of *Mar*, 2024.

Donna K Schrader

NOTARY PUBLIC in favor for the State of Alaska.

My Commission Expires October 19, 2027

NOTARY PUBLIC
DONNA K SCHRADER
STATE OF ALASKA
My Commission Expires October 19, 2027

Public Comment and Hearing Notice
Alaska Housing Finance Corporation
Moving to Work Plan and Capital Fund Program

The public is invited to participate in a 30-day public comment period and a statewide teleconference to provide comments on the Alaska Housing Finance Corporation (AHFC) FY2025 Moving to Work (MTW) Plan and Capital Fund Program. The Plan is available on the AHFC website at www.ahfc.us/tenants/resources/mtrc-plans-and-reports. The public may also obtain a copy of the Plan by calling Regina O'Keefe at 907-330-8432 or 800-478-2432, outside of Anchorage.

1. Written comments are accepted until **March 31st, 2024**. Please submit comments to klong@ahfc.us or mail to:
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AHFC complies with Title II of the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973. Individuals with disabilities who may need auxiliary aids, services, or special modifications to participate in this public meeting should call 907-330-8432 at least three business days prior to the scheduled meeting date to arrange an accommodation.

Pub: Mar. 2 & 13, 2024 991892

B.5 Public Comments from the arch 21, 2024 Public Hearing

A transcript of the entire proceeding is on record at the AHFC Public Housing Division headquarters. Attendance: AHFC staff members attending (three), four members of the AHFC Resident Advisory Board called into the public hearing.

Catherine Stone provided an introduction to the public hearing and explained the purpose of the hearing. Mrs. Stone then provided a short overview of the FY2025 MTW Plan.

Hugh Brown, Resident Advisory Board member, commented:

Mr. Brown stated that AHFC produced a comprehensive Fiscal Year 2025 Moving to Work Plan in regards to AHFC's overview of long-term and short-term goals for MTW. He reviewed the section on Who we serve and Core Competencies. He stated it is important for AHFC to match the unique needs of Alaska with the resources. Mr. Brown stated AHFC's Sponsor Based Rental Assistance through the Alaska Corporation for Affordable Housing is very strong. He stated he was a recipient of the program and suggested we do more marketing to consumers to make them aware of the Public Housing we provide and other resources because Alaska has produced programs that have been implemented nationally.

AHFC: AHFC thanked Mr. Brown for his feedback.

B.6 Written Public Comments

No written comments were provided as of the close of the public comment period.

B.7 Resident Advisory Board Comments

The FY2025 Plan was made available to each Resident Advisory Board member as part of the public comment process. There were no additional comments provided at that time.

C. Planned and Ongoing Evaluations

C.1 Step Program Evaluation

The goals of the evaluation are to maintain a systematic approach to collecting, analyzing, and using information to answer key questions about Step's efficiency and efficacy. Main areas of focus include housing income changes and employment status, current and projected shelter burden, and identification of data gaps and program recommendations.

The evaluation, conducted quarterly, measures current program data against baselines obtained in September 2014. AHFC utilizes household shelter burden (housing costs compared to income) as a measure of housing affordability. The evaluation looks at data for the entire Step population (all families participating in the quarter) with specific sub-populations (Rural, Economic Impact Areas, Single Caregivers with more than Two Children, and Families who Transitioned into Step with implementation of the program).

Step household income began increasing in July 2021 after a high of \$30,964 in June 30, 2019. The graduation of Year 5 families and the economic impact of the Coronavirus (COVID-19) pandemic resulted in an overall decrease in Step household income from June 2019 – June 2021. The quarter ending December 31, 2023 attained the highest average income level at \$32,346, which is well above the September 2014 baseline of \$19,929.

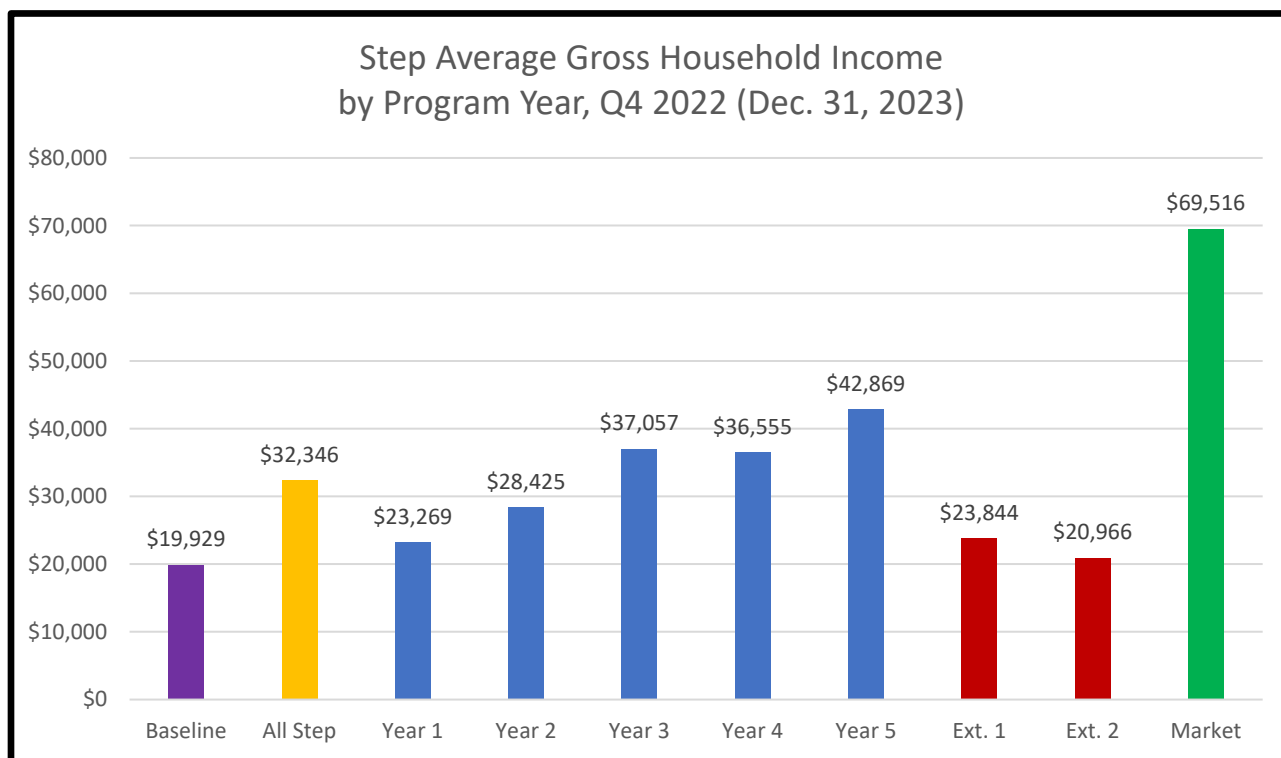
As of December 31, 2023, families entering Step Year 5 reported average gross annual income of \$42,869. Average shelter burden for these families was projected to be 37.6

percent at market rents. This is below AHFC's 50 percent shelter burden target. In September 2014, baseline shelter burden at market rents was anticipated to be 74.7 percent.

The following table provides the number of households by year in Step, including Extensions and Market Rent households (public housing families who have graduated from Step but have chosen to stay in public housing and pay market rent), as of December 31, 2023 compared to June 30, 2019.

Step Year	Number of Households		
	as of June 30, 2019	as of Dec. 31, 2023	Difference
Year 1	456	315	- 141
Year 2	388	303	- 85
Year 3	262	394	+ 132
Year 4	272	186	- 86
Year 5	677	163	- 514
Extension 1	41	24	- 17
Extension 2	0	11	+ 11
Market Rent	9	87	+ 78

The chart below shows average household income reported for families in each year of the program as collected from examinations when participants entered the Step year.



Below is a comparison of household annual income by program year for June 30, 2019 and December 31, 2023.

Year in Step Program	Average Income		
	June 30, 2019	December 31, 2023	Difference
Year 1	\$20,496	\$23,269	+\$2,773
Year 2	\$26,319	\$28,425	+\$2,106
Year 3	\$33,374	\$37,057	+\$3,683
Year 4	\$34,388	\$36,555	+\$2,167
Year 5	\$38,737	\$42,869	+\$4,132
Extension 1	\$24,689	\$23,844	-\$845
Extension 2	N/A	\$20,966	N/A

For December 31, 2023, average household income at each program year increased when compared to June 30, 2019. Average household income for families in Year 1 (measured at intake) was \$23,269 (\$3,340 greater than family income at the baseline, \$19,929, established in September 2014).

Fifty-four percent of all Step households reported full-time employment (at least 32 hours per week at minimum wage); this is equal to the percent of households who reported full-time employment as of December 30, 2019. Full-time employment at baseline was 40 percent. Families reporting at least part-time employment increased from 64 to 68 percent (up from 54 percent at baseline).

D. Lobbying Disclosure

D.1 SF-LLL Disclosure of Lobbying Activities

AHFC does not have anything to disclose.

D.2 HUD-50071 Certification of Payments to Influence Federal Transactions

Certification of Payments to Influence Federal Transactions		OMB Approval No. 2877-0187 (Exp. 11/30/2023)
Public reporting burden for this information collection is estimated to average 30 minutes. This includes the time for reviewing existing data, gathering the information required to obtain the data, reviewing the information, and reviewing the information. This form is used to report Federal funds are not used to influence members of Congress. There are no assurances of confidentiality. HUD may not conduct or sponsor, and no person is required to respond to a collection of information unless it displays a currently valid OMB control number.		
Agency Name Alaska Housing Finance Corporation		
Program/Activity Receiving Federal Grant Funding Housing Choice Voucher and Public Housing Programs		
The undersigned certifies, to the best of his or her knowledge and belief, that:		
(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement. (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-441, Disclosure Form to Report Lobbying, in accordance with its instructions.	(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	
I hereby certify that all the information stated herein, as well as any information provided in the accompanying documents, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1862, 31 U.S.C. 3729, 3802)		
Name of Authorized Official Catherine M. Stone	Title Director, Public Housing	
Signature 	Date (mm/dd/yyyy) 03/21/2024	
Previous edition is obsolete		Form HUD-50071 (01/04)

E. Appendix

AHFC submits these activities to its Board of Directors for approval as part of its overall Plan. These activities fall within current authority granted under HUD regulations and do not require HUD MTW approval.

E.1 Alaska Corporation for Affordable Housing (ACAH)

The Alaska Corporation for Affordable Housing (ACAH) is a nonprofit subsidiary of the Alaska Housing Finance Corporation formed for the acquisition, development, management, or operation of affordable housing. ACAH's purpose is to undertake the types of affordable housing and services that are not open to AHFC directly, but which support AHFC's mission of providing affordable housing and services to individuals and groups in need. Properties developed through ACAH are positioned to leverage private sector resources such as low-income housing tax credits and debt financing.

ACAH continues to assess opportunities to expand affordable housing units in Fairbanks and expects to complete construction of new affordable housing in FY2025.

E.2 Environmental and Energy Assessments

Environmental:

Facilities Management (a section within the Public Housing Department (PHD)) created a new position for our environmental review responsibility. The Environmental Impact Analyst II works with our facilities planning team to maintain statewide compliance for our maintenance and operations efforts to sustain our housing stock. This position specializes in identifying potential impacts to the environment, property, and residents prior to application of funding and provide any mitigation to be included within the developed project scope. Also, this position monitors all programmatic agreements, tracks necessary reporting requirements, and reports those changes to PHD management. At the time of this publication, the position has completed approximately 85 percent of the statewide portfolio's five-year plans and conducted several "one-off" project reviews for issuance to our responsible entity for review and approval.

Energy:

AHFC continues to use an active energy management methodology through constant deployment of our Building Monitoring systems, use of information from ARIS (Alaska Retrofit Information System), AKWarm (energy modeling software), and building science best practices as reported from other in state organizations to improve and monitor building performance. We are capturing specific building needs in our physical needs assessment database and funding those projects as needed. At the lowest level, AMP staff are removing old, outdated products and replacing with current energy efficient models. Alaska has its own Energy Standard, BEES (Building Energy Efficiency Standard), that PHD uses to advance building efficiency beyond base energy code requirements for our region.

E.3 Non-MTW Activities

The following is a list of ongoing Non-MTW activities.

2010N-7 Designated Housing

Description and Status

Designation of certain Public Housing buildings as elderly or disabled only. HUD approved the designation of 104 units at Chugach Manor as elderly. Sixteen units are reserved for persons with disabilities. HUD granted approval of the designated housing plan on May 10, 2011. Numbered Memo 12-10 dated February 24, 2012 with an effective date of March 1, 2012 issued waiting list and operational procedures for staff.

- AHFC received approval to extend this designation on February 26, 2016 from HUD.
- AHFC received approval to extend this designation on January 31, 2018 from HUD.
- AHFC received approval to extend this designation on February 13, 2020 from HUD.
- AHFC received approval to extend this designation on April 21, 2022 from HUD.

Activity is ongoing.

2011N-6 Elder Housing Preference

Description and Status

Mimic the policies governing the Section 8 Multifamily project-based assistance units that AHFC owns and operates to allow for an elderly super-preference, with a clause reserving at least ten percent of the units for younger, disabled households.

2019N-1 Disposition of Six Public Housing Properties

1. Description

AHFC proposes to dispose of six (6) single-family properties in its Public Housing Program portfolio through a sale to low-income families. The disposition will be conducted in accordance with HUD regulations at 24 CFR 970 Public Housing Program – Demolition or Disposition of Public Housing Projects.

2. Background

An in-depth analysis of AHFC's Public Housing portfolio coupled with development of a plan for increasing affordable housing opportunities has determined that the following properties provide homeownership opportunities to low-income families.

Address	Lot Size (ft ²)	Unit Size (ft ²)	Unit Description
3414 E 16th Avenue, Anchorage 99508	6,477	1,152	4 bedroom, 2 bath built in 1970
3136 E 17th Avenue, Anchorage 99508	6,600	1,200	3 bedroom, 1 bath built in 1972
3424 E 18th Avenue, Anchorage 99508	6,300	1,137	3 bedroom, 1 bath built in 1971
3148 E 19th Court, Anchorage 99508	6,090	1,026	3 bedroom, 1 bath built in 1972
1826 Columbine Street, Anchorage 99508	6,000	1,026	4 bedroom, 2 bath built in 1972
8700 Midland Place, Anchorage 99518	7,000	1,856	5 bedroom, 2 bath built in 1973

3. Implementation

AHFC received Section 18 Disposition approval from the HUD Special Applications Center to dispose of these six single family properties. Staff are working through the relocation process with tenants and then the properties will be sold to low-income families.

- A tenant relocation plan has been developed to ensure public housing residents are appropriately relocated during the disposition process.
- AHFC will partner with a third party to sell the homes to low-income families.
- Any proceeds from the sale of these properties will be returned to AHFC for the provision of low-income housing or to benefit public housing residents.

4. Update

Below is the current status of each property.

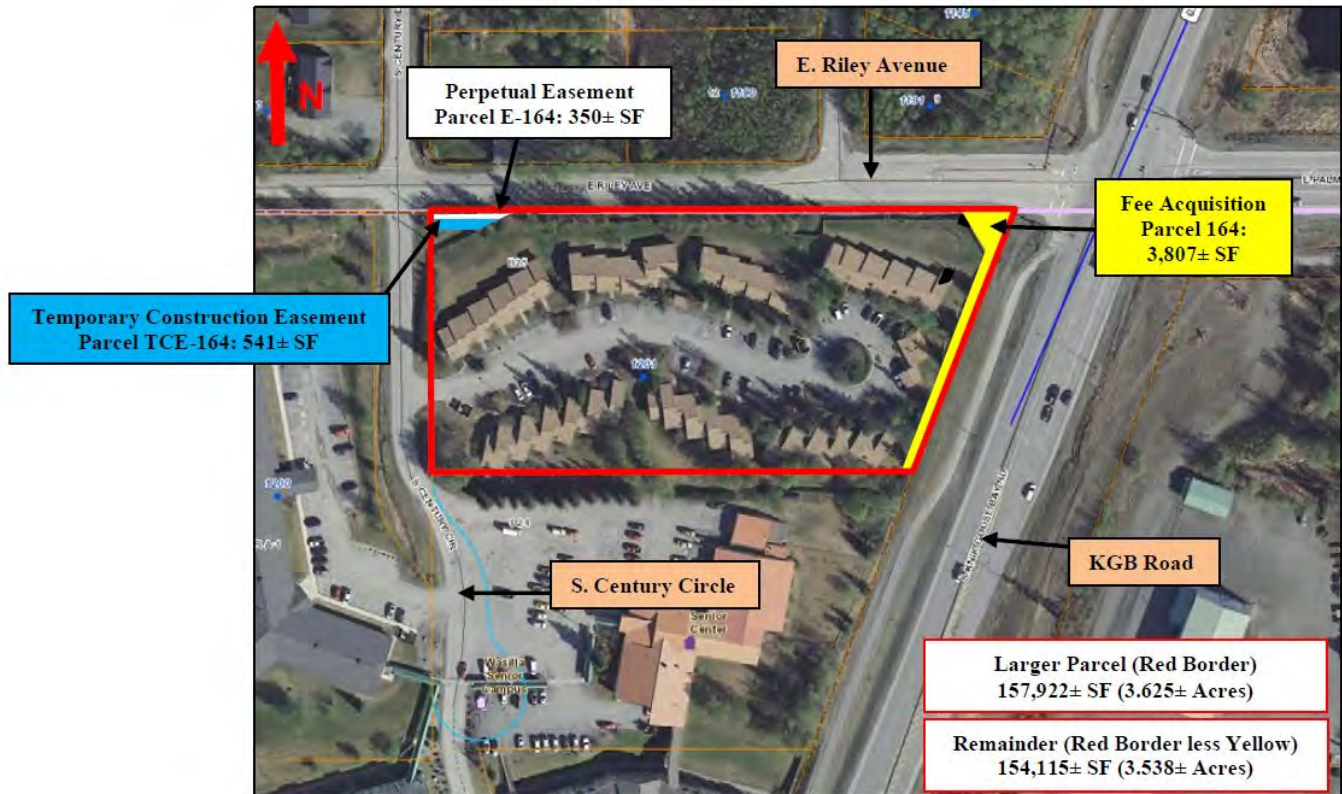
Address	Status
3414 E 16th Avenue, Anchorage 99508	Sale recorded 11/19/2021
3136 E 17th Avenue, Anchorage 99508	Sale recorded 08/26/2021
3424 E 18th Avenue, Anchorage 99508	Sale recorded 09/10/2021
3148 E 19th Court, Anchorage 99508	Sale recorded 09/29/2021
1826 Columbine Street, Anchorage 99508	Sale recorded 10/21/2021
8700 Midland Place, Anchorage 99518	Pending relocation of existing tenant family

2022N-1 Disposition of Property at Williwa Manor

1. Description

The State of Alaska Department of Transportation and Public Facilities (DOT) is planning a road widening project for Knik-Goose Bay Road, which is located on one side of AHFC's Williwa Manor development (AK001000244). DOT is proposing to purchase a corner of Williwa Manor's lot, which is bordered by East Riley Avenue on one side and Knik-Goose Bay Road on the other side.

Aerial Image of Acquisition, Easement, and Remainder Areas



The legal description of the property is:

A Tract of land located in the Northwest one-quarter of the Northwest one-quarter (NW1/4 NW1/4) of Section 15, Township 17 North, Range 1 West, Seward Meridian, Palmer Recording District, Third Judicial District, State of Alaska, and more particularly described as follows: Beginning at the Northwest (NW) corner of Section 15, marked by a General Land Office brass cap monument; thence North 89° 53' 00" East along the Section line between Section 15 and Section 10 a distance of 275.00 feet to the true point of beginning; thence South 00° 07' 00" East a distance of 280.04 feet; thence North 89° 53' 00" East a distance of 513.78 feet to the West right-of-way of the Knik Road; thence North 20° 54' 00" East, along the right-of-way to the Section line, a distance of 300.00 feet; thence South 89° 53' 00" West, along the Section line, a distance of 612.37 feet to the true point of beginning.

DOT proposes to acquire 3,807 square feet of land (shown in yellow in the picture) at a price of \$14,400. An appraisal report conducted by MacSwain Associates, LLC, will be included with the package sent to the U.S. Department of Housing and Urban Development, Special Applications Center.

2. Implementation

In accordance with 24 CFR 970, AHFC will be sending a Section 18 Disposition application to the HUD Special Applications Center to remove this portion of the property from Williwag Manor.

- No tenants will be displaced as the location of the property is outside the fence line for the property.
- The existing fence will be replaced with a sound barrier wall to minimize noise.
- Any proceeds from the sale of this property will be used for the provision of low-income housing or to benefit public housing residents.

3. Update

AHFC received approval for the sale through the HUD Section 18 disposition process, and the land was sold to the Alaska Department of Transportation and Public Facilities on January 21, 2022.

2023N-1 Remote Video Inspections

1. Description

AHFC plans to develop an NSPIRE video inspection option using the guidance issued in PIH Notice 2020-31. This practice is not expected to have frequent or widespread use at AHFC, but rather used for those locations that are remotely administered or when the health concerns of a participant family may limit AHFC access to the unit.

2. Background

Given the reluctance of participant families to allow an inspection of their unit due to the pandemic and health conditions, this would allow families to remain compliant with their program obligations as well as insuring the decent, safe, and sanitary conditions in a unit. AHFC also believes that this will create administrative cost savings as move-in inspections could be conducted timely for those locations that are administered remotely.

3. Implementation

Under Numbered Memo 22-23 Housing Quality Standard Inspections Exhibit 7-3 Remote Video Inspection on 10/24/2022. This became policy on November 1st, 2022.

4. Update

AHFC will update this exhibit effective 10/1/2024 to HUD's new standard NSPIRE.

2023N-2 Conversion of Paper Operations to Electronic Systems

1. Description

AHFC has begun the process to introduce electronic processes in place of paper-based processes. This includes an electronic, document management system to store electronic client files instead of paper files.

2. Background

AHFC has issued a corporate-wide directive to each of its departments to move to electronic systems and eliminate paper wherever possible.

3. Implementation

AHFC expects that this will be a multi-year project to obtain the necessary software or software modifications, train staff and clients, and develop appropriate policies and controls. At this time, AHFC is working on the best methods to implement the electronic application process for all its waiting lists. We are also working on a method to deliver the voucher briefing in a self-guided, electronic process for eligible families.

AHFC is currently testing processes. We are researching methods of access for those persons without smartphones, access to a home computer, or internet availability.

After the intake process is complete, we plan on implementing an electronic interface for landlords, conducting inspections with a mobile device, examinations electronically.

4. Update

Under Numbered Memo 22-34 Chapter 4 Examinations on 10/24/2022, AHFC has converted all HCV eligibility, interim and examination processes to an electronic process through RENTCafé. This became policy on November 1st, 2022. All AHFC offices are equipped with public use devices for these electronic processes. AHFC's Program and Policy Trainor visited all sites to conduct one on one training and assess individual needs. AHFC will continue to conduct trainings in group and individual settings. The launch of the HCV landlord interface is pending.

AHFC introduced the landlord portal of RENTCafé in January 2024. AHFC is planning to implement the processes for Public Housing which includes a work order module in FY2025.

E.4 Annual Statement/Performance and Evaluation Reports for Period Ending December 31, 2023

- AK01P001501-18 (CFP 518)
- AK01P001501-19 (CFP 519)
- AK01P001501-20 (CFP 520)
- AK01P001501-21 (CFP 521)
- AK01P001501-22 (CFP 522)
- AK01P001501-23 (CFP 523)
- AK01P001501-24 (CFP 524)

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Part I: Summary

PHA Name: ALASKA HOUSING FINANCE CORPORATION	Grant Type and Number Capital Fund Program Grant No: AK01P001501-18 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant: 2018 FFY of Grant Approval: 2018
--	--	---

Type of Grant

☐ Original Annual Statement
 ☐ Reserve for Disasters/Emergencies
 ☐ Revised Annual Statement (revision no:)
 ☒ Performance and Evaluation Report for Period Ending: **December 30, 2023**
☐ Final Performance and Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total Non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³	\$0.00	\$0.00	\$0.00	\$0.00
3	1408 Management Improvements	\$0.00	\$0.00	\$0.00	\$0.00
4	1410 Administration (may not exceed 10% of line 21)	\$0.00	\$0.00	\$0.00	\$0.00
5	1411 Audit	\$0.00	\$0.00	\$0.00	\$0.00
6	1415 Liquidated Damages	\$0.00	\$0.00	\$0.00	\$0.00
7	1430 Fees and Costs	\$0.00	\$0.00	\$0.00	\$0.00
8	1440 Site Acquisition	\$0.00	\$0.00	\$0.00	\$0.00
9	1450 Site Improvement	\$0.00	\$0.00	\$0.00	\$0.00
10	1460 Dwelling Structures	\$0.00	\$0.00	\$0.00	\$0.00
11	1465.1 Dwelling Equipment-Nonexpendable	\$0.00	\$0.00	\$0.00	\$0.00
12	1470 Non-dwelling Structures	\$0.00	\$0.00	\$0.00	\$0.00
13	1475 Non-dwelling Equipment	\$0.00	\$0.00	\$0.00	\$0.00
14	1485 Demolition	\$0.00	\$0.00	\$0.00	\$0.00
15	1492 Moving to Work Demonstration	\$2,944,471.00	\$2,978,070.00	\$2,829,615.26	\$2,656,163.50
16	1495.1 Relocation Costs	\$0.00	\$0.00	\$0.00	\$0.00
17	1499 Development Activities ⁴	\$0.00	\$0.00	\$0.00	\$0.00
18a	1501 Collateralization or Debt Service paid by the PHA	\$0.00	\$0.00	\$0.00	\$0.00
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment	\$0.00			\$0.00
19	1502 Contingency (may not exceed 8% of line 20)	\$0.00	\$0.00	\$0.00	\$0.00
20	Amount of Annual Grant: (sum of lines 2-19)	\$2,944,471.00	\$2,978,070.00	\$2,829,615.26	\$2,656,163.50
21	Amount of line 20 Related to LBP Activities	\$0.00	\$0.00	\$0.00	\$0.00
22	Amount of line 20 Related to Section 504 Activities	\$0.00	\$0.00	\$0.00	\$0.00
23	Amount of line 20 Related to Security -- Soft Costs	\$0.00	\$0.00	\$0.00	\$0.00
24	Amount of line 20 Related to Security -- Hard Costs	\$0.00	\$0.00	\$0.00	\$0.00
25	Amount of line 20 Related to Energy Conservation Measures	\$0.00	\$0.00	\$0.00	\$0.00

Signature of Executive Director	Date	Signature of Public Housing Director	Date
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¹ To be completed for the Performance and Evaluation Report.
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.
⁴ RHF funds shall be included here.

PHA Name: **ALASKA HOUSING FINANCE CORPORATION**

Grant Type and Number
Capital Fund Program Grant No: **AK01P001501-18**
CFFP (Yes/No): **No**
Replacement Housing Factor Grant No:

[illegible]

² To be completed for the Performance and Evaluation Report.

Part I: Summary

PHA Name: ALASKA HOUSING FINANCE CORPORATION	Grant Type and Number Capital Fund Program Grant No: AK01P001501-19 Replacement Housing Factor Grant No: Date of CFFP: _____	FFY of Grant: 2019 FFY of Grant Approval: 2019
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Type of Grant

- ☐ Original Annual Statement
 ☐ Reserve for Disasters/Emergencies
 ☐ Revised Annual Statement (revision no:)
 ☐ Final Performance and Evaluation Report
- ☒ Performance and Evaluation Report for Period Ending: **December 30, 2023**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total Non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³	\$0.00	\$0.00	\$0.00	\$0.00
3	1408 Management Improvements	\$0.00	\$0.00	\$0.00	\$0.00
4	1410 Administration (may not exceed 10% of line 21)	\$0.00	\$0.00	\$0.00	\$0.00
5	1411 Audit	\$0.00	\$0.00	\$0.00	\$0.00
6	1415 Liquidated Damages	\$0.00	\$0.00	\$0.00	\$0.00
7	1430 Fees and Costs	\$0.00	\$0.00	\$0.00	\$0.00
8	1440 Site Acquisition	\$0.00	\$0.00	\$0.00	\$0.00
9	1450 Site Improvement	\$0.00	\$0.00	\$0.00	\$0.00
10	1460 Dwelling Structures	\$0.00	\$0.00	\$0.00	\$0.00
11	1465.1 Dwelling Equipment-Nonexpendable	\$0.00	\$0.00	\$0.00	\$0.00
12	1470 Non-dwelling Structures	\$0.00	\$0.00	\$0.00	\$0.00
13	1475 Non-dwelling Equipment	\$0.00	\$0.00	\$0.00	\$0.00
14	1485 Demolition	\$0.00	\$0.00	\$0.00	\$0.00
15	1492 Moving to Work Demonstration	\$2,941,459.00	\$2,957,669.00	\$2,661,902.10	\$1,588,248.88
16	1495.1 Relocation Costs	\$0.00	\$0.00	\$0.00	\$0.00
17	1499 Development Activities ⁴	\$0.00	\$0.00	\$0.00	\$0.00
18a	1501 Collateralization or Debt Service paid by the PHA	\$0.00	\$0.00	\$0.00	\$0.00
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment	\$0.00			\$0.00
19	1502 Contingency (may not exceed 8% of line 20)	\$0.00	\$0.00	\$0.00	\$0.00
20	Amount of Annual Grant: (sum of lines 2-19)	\$2,941,459.00	\$2,957,669.00	\$2,661,902.10	\$1,588,248.88
21	Amount of line 20 Related to LBP Activities	\$0.00	\$0.00	\$0.00	\$0.00
22	Amount of line 20 Related to Section 504 Activities	\$0.00	\$0.00	\$0.00	\$0.00
23	Amount of line 20 Related to Security -- Soft Costs	\$0.00	\$0.00	\$0.00	\$0.00
24	Amount of line 20 Related to Security -- Hard Costs	\$0.00	\$0.00	\$0.00	\$0.00
25	Amount of line 20 Related to Energy Conservation Measures	\$0.00	\$0.00	\$0.00	\$0.00
Signature of Executive Director		Date	Signature of Public Housing Director		Date

PHA Name: **ALASKA HOUSING FINANCE CORPORATION**

Federal FY of Grant: 2019

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

Part I: Summary

PHA Name: ALASKA HOUSING FINANCE CORPORATION	Grant Type and Number Capital Fund Program Grant No: AK01P001501-20 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant: 2020 FFY of Grant Approval: 2020
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Type of Grant

☐ Original Annual Statement
 ☐ Reserve for Disasters/Emergencies
 ☐ Revised Annual Statement (revision no:)
 ☐ Final Performance and Evaluation Report

☒ Performance and Evaluation Report for Period Ending: **December 30, 2023**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total Non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³	\$0.00	\$0.00	\$0.00	\$0.00
3	1408 Management Improvements	\$0.00	\$0.00	\$0.00	\$0.00
4	1410 Administration (may not exceed 10% of line 21)	\$0.00	\$0.00	\$0.00	\$0.00
5	1411 Audit	\$0.00	\$0.00	\$0.00	\$0.00
6	1415 Liquidated Damages	\$0.00	\$0.00	\$0.00	\$0.00
7	1430 Fees and Costs	\$0.00	\$0.00	\$0.00	\$0.00
8	1440 Site Acquisition	\$0.00	\$0.00	\$0.00	\$0.00
9	1450 Site Improvement	\$0.00	\$0.00	\$0.00	\$0.00
10	1460 Dwelling Structures	\$0.00	\$0.00	\$0.00	\$0.00
11	1465.1 Dwelling Equipment-Nonexpendable	\$0.00	\$0.00	\$0.00	\$0.00
12	1470 Non-dwelling Structures	\$0.00	\$0.00	\$0.00	\$0.00
13	1475 Non-dwelling Equipment	\$0.00	\$0.00	\$0.00	\$0.00
14	1485 Demolition	\$0.00	\$0.00	\$0.00	\$0.00
15	1492 Moving to Work Demonstration	\$3,035,482.00	\$3,057,543.00	\$2,751,788.70	\$627,922.08
16	1495.1 Relocation Costs	\$0.00	\$0.00	\$0.00	\$0.00
17	1499 Development Activities ⁴	\$0.00	\$0.00	\$0.00	\$0.00
18a	1501 Collateralization or Debt Service paid by the PHA	\$0.00	\$0.00	\$0.00	\$0.00
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment	\$0.00			\$0.00
19	1502 Contingency (may not exceed 8% of line 20)	\$0.00	\$0.00	\$0.00	\$0.00
20	Amount of Annual Grant: (sum of lines 2-19)	\$3,035,482.00	\$3,057,543.00	\$2,751,788.70	\$627,922.08
21	Amount of line 20 Related to LBP Activities	\$0.00	\$0.00	\$0.00	\$0.00
22	Amount of line 20 Related to Section 504 Activities	\$0.00	\$0.00	\$0.00	\$0.00
23	Amount of line 20 Related to Security -- Soft Costs	\$0.00	\$0.00	\$0.00	\$0.00
24	Amount of line 20 Related to Security -- Hard Costs	\$0.00	\$0.00	\$0.00	\$0.00
25	Amount of line 20 Related to Energy Conservation Measures	\$0.00	\$0.00	\$0.00	\$0.00
Signature of Executive Director		Date	Signature of Public Housing Director		Date

¹ To be completed for the Performance and Evaluation Report.

² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.

⁴ RHF funds shall be included here.

Grant Type and Number
Capital Fund Program Grant No: **AK01P001501-20**
CCFP (Yes/No): **No**
Replacement Housing Factor Grant No:

[illegible]

² To be completed for the Performance and Evaluation Report.

Part I: Summary

PHA Name: ALASKA HOUSING FINANCE CORPORATION	Grant Type and Number Capital Fund Program Grant No: AK01P001501-21 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant: <u>2021</u> FFY of Grant Approval: <u>2021</u>
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Type of Grant

☐ Original Annual Statement
 ☐ Reserve for Disasters/Emergencies
 ☐ Revised Annual Statement (revision no:)
 ☒ Performance and Evaluation Report for Period Ending: **December 30, 2023**
☐ Final Performance and Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total Non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³	\$0.00	\$0.00	\$0.00	\$0.00
3	1408 Management Improvements	\$0.00	\$0.00	\$0.00	\$0.00
4	1410 Administration (may not exceed 10% of line 21)	\$0.00	\$0.00	\$0.00	\$0.00
5	1411 Audit	\$0.00	\$0.00	\$0.00	\$0.00
6	1415 Liquidated Damages	\$0.00	\$0.00	\$0.00	\$0.00
7	1430 Fees and Costs	\$0.00	\$0.00	\$0.00	\$0.00
8	1440 Site Acquisition	\$0.00	\$0.00	\$0.00	\$0.00
9	1450 Site Improvement	\$0.00	\$0.00	\$0.00	\$0.00
10	1460 Dwelling Structures	\$0.00	\$0.00	\$0.00	\$0.00
11	1465.1 Dwelling Equipment-Nonexpendable	\$0.00	\$0.00	\$0.00	\$0.00
12	1470 Non-dwelling Structures	\$0.00	\$0.00	\$0.00	\$0.00
13	1475 Non-dwelling Equipment	\$0.00	\$0.00	\$0.00	\$0.00
14	1485 Demolition	\$0.00	\$0.00	\$0.00	\$0.00
15	1492 Moving to Work Demonstration	\$3,057,543.00	\$3,056,249.00	\$2,750,624.10	\$924,360.42
16	1495.1 Relocation Costs	\$0.00	\$0.00	\$0.00	\$0.00
17	1499 Development Activities ⁴	\$0.00	\$0.00	\$0.00	\$0.00
18a	1501 Collateralization or Debt Service paid by the PHA	\$0.00	\$0.00	\$0.00	\$0.00
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment	\$0.00			\$0.00
19	1502 Contingency (may not exceed 8% of line 20)	\$0.00	\$0.00	\$0.00	\$0.00
20	Amount of Annual Grant: (sum of lines 2-19)	\$3,057,543.00	\$3,056,249.00	\$2,750,624.10	\$924,360.42
21	Amount of line 20 Related to LBP Activities	\$0.00	\$0.00	\$0.00	\$0.00
22	Amount of line 20 Related to Section 504 Activities	\$0.00	\$0.00	\$0.00	\$0.00
23	Amount of line 20 Related to Security -- Soft Costs	\$0.00	\$0.00	\$0.00	\$0.00
24	Amount of line 20 Related to Security -- Hard Costs	\$0.00	\$0.00	\$0.00	\$0.00
25	Amount of line 20 Related to Energy Conservation Measures	\$0.00	\$0.00	\$0.00	\$0.00
Signature of Executive Director		Date	Signature of Public Housing Director	Date	

¹ To be completed for the Performance and Evaluation Report.

² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.

⁴ RHF funds shall be included here.

PHA Name: **ALASKA HOUSING FINANCE CORPORATION**

Grant Type and Number
Capital Fund Program Grant No: **AK01P001501-21**
CCFP (Yes/No): **No**
Replacement Housing Factor Grant No:

[illegible]

² To be completed for the Performance and Evaluation Report.

Part I: Summary

PHA Name: ALASKA HOUSING FINANCE CORPORATION	Grant Type and Number Capital Fund Program Grant No: AK01P001501-22 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant: 2022 FFY of Grant Approval: 2022
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Type of Grant

☐ Original Annual Statement
 ☐ Reserve for Disasters/Emergencies
 ☐ Revised Annual Statement (revision no:)
 ☒ Performance and Evaluation Report for Period Ending: **December 30, 2023**
☐ Final Performance and Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total Non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³	\$0.00	\$0.00	\$0.00	\$0.00
3	1408 Management Improvements	\$0.00	\$0.00	\$0.00	\$0.00
4	1410 Administration (may not exceed 10% of line 21)	\$0.00	\$0.00	\$0.00	\$0.00
5	1411 Audit	\$0.00	\$0.00	\$0.00	\$0.00
6	1415 Liquidated Damages	\$0.00	\$0.00	\$0.00	\$0.00
7	1430 Fees and Costs	\$0.00	\$0.00	\$0.00	\$0.00
8	1440 Site Acquisition	\$0.00	\$0.00	\$0.00	\$0.00
9	1450 Site Improvement	\$0.00	\$0.00	\$0.00	\$0.00
10	1460 Dwelling Structures	\$0.00	\$0.00	\$0.00	\$0.00
11	1465.1 Dwelling Equipment-Nonexpendable	\$0.00	\$0.00	\$0.00	\$0.00
12	1470 Non-dwelling Structures	\$0.00	\$0.00	\$0.00	\$0.00
13	1475 Non-dwelling Equipment	\$0.00	\$0.00	\$0.00	\$0.00
14	1485 Demolition	\$0.00	\$0.00	\$0.00	\$0.00
15	1492 Moving to Work Demonstration	\$3,042,388.00	\$3,487,239.00	\$2,581,405.90	\$849,469.38
16	1495.1 Relocation Costs	\$0.00	\$0.00	\$0.00	\$0.00
17	1499 Development Activities ⁴	\$0.00	\$0.00	\$0.00	\$0.00
18a	1501 Collateralization or Debt Service paid by the PHA	\$0.00	\$0.00	\$0.00	\$0.00
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment	\$0.00			\$0.00
19	1502 Contingency (may not exceed 8% of line 20)	\$0.00	\$0.00	\$0.00	\$0.00
20	Amount of Annual Grant: (sum of lines 2-19)	\$3,042,388.00	\$3,487,239.00	\$2,581,405.90	\$849,469.38
21	Amount of line 20 Related to LBP Activities	\$0.00	\$0.00	\$0.00	\$0.00
22	Amount of line 20 Related to Section 504 Activities	\$0.00	\$0.00	\$0.00	\$0.00
23	Amount of line 20 Related to Security -- Soft Costs	\$0.00	\$0.00	\$0.00	\$0.00
24	Amount of line 20 Related to Security -- Hard Costs	\$0.00	\$0.00	\$0.00	\$0.00
25	Amount of line 20 Related to Energy Conservation Measures	\$0.00	\$0.00	\$0.00	\$0.00
Signature of Executive Director		Date	Signature of Public Housing Director	Date	

¹ To be completed for the Performance and Evaluation Report.

² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.

⁴ RHF funds shall be included here.

PHA Name: **ALASKA HOUSING FINANCE CORPORATION**

Grant Type and Number
Capital Fund Program Grant No: **AK01P001501-22**
CCFP (Yes/No): **No**
Replacement Housing Factor Grant No:

[illegible]

² To be completed for the Performance and Evaluation Report.

Part I: Summary

PHA Name: ALASKA HOUSING FINANCE CORPORATION	Grant Type and Number Capital Fund Program Grant No: AK01P001501-23 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant: 2023 FFY of Grant Approval: 2023
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Type of Grant

☐ Original Annual Statement
 ☐ Reserve for Disasters/Emergencies
 ☐ Revised Annual Statement (revision no:)
 ☐ Final Performance and Evaluation Report

☒ Performance and Evaluation Report for Period Ending: **December 30, 2023**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total Non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³	\$0.00	\$0.00	\$0.00	\$0.00
3	1408 Management Improvements	\$0.00	\$0.00	\$0.00	\$0.00
4	1410 Administration (may not exceed 10% of line 21)	\$0.00	\$0.00	\$0.00	\$0.00
5	1411 Audit	\$0.00	\$0.00	\$0.00	\$0.00
6	1415 Liquidated Damages	\$0.00	\$0.00	\$0.00	\$0.00
7	1430 Fees and Costs	\$0.00	\$0.00	\$0.00	\$0.00
8	1440 Site Acquisition	\$0.00	\$0.00	\$0.00	\$0.00
9	1450 Site Improvement	\$0.00	\$0.00	\$0.00	\$0.00
10	1460 Dwelling Structures	\$0.00	\$0.00	\$0.00	\$0.00
11	1465.1 Dwelling Equipment-Nonexpendable	\$0.00	\$0.00	\$0.00	\$0.00
12	1470 Non-dwelling Structures	\$0.00	\$0.00	\$0.00	\$0.00
13	1475 Non-dwelling Equipment	\$0.00	\$0.00	\$0.00	\$0.00
14	1485 Demolition	\$0.00	\$0.00	\$0.00	\$0.00
15	1492 Moving to Work Demonstration	\$3,517,456.00	\$3,517,456.00	\$2,794,245.60	\$0.00
16	1495.1 Relocation Costs	\$0.00	\$0.00	\$0.00	\$0.00
17	1499 Development Activities ⁴	\$0.00	\$0.00	\$0.00	\$0.00
18a	1501 Collateralization or Debt Service paid by the PHA	\$0.00	\$0.00	\$0.00	\$0.00
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment	\$0.00			\$0.00
19	1502 Contingency (may not exceed 8% of line 20)	\$0.00	\$0.00	\$0.00	\$0.00
20	Amount of Annual Grant: (sum of lines 2-19)	\$3,517,456.00	\$3,517,456.00	\$2,794,245.60	\$0.00
21	Amount of line 20 Related to LBP Activities	\$0.00	\$0.00	\$0.00	\$0.00
22	Amount of line 20 Related to Section 504 Activities	\$0.00	\$0.00	\$0.00	\$0.00
23	Amount of line 20 Related to Security -- Soft Costs	\$0.00	\$0.00	\$0.00	\$0.00
24	Amount of line 20 Related to Security -- Hard Costs	\$0.00	\$0.00	\$0.00	\$0.00
25	Amount of line 20 Related to Energy Conservation Measures	\$0.00	\$0.00	\$0.00	\$0.00

Signature of Executive Director	Date	Signature of Public Housing Director	Date
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¹ To be completed for the Performance and Evaluation Report.
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.
⁴ RHF funds shall be included here.

PHA Name: **ALASKA HOUSING FINANCE CORPORATION**

Grant Type and Number
Capital Fund Program Grant No: **AK01P001501-23**
CFFP (Yes/No): **No**
Replacement Housing Factor Grant No:

[illegible]

² To be completed for the Performance and Evaluation Report.

Part I: Summary

PHA Name: ALASKA HOUSING FINANCE CORPORATION	Grant Type and Number Capital Fund Program Grant No: AK01P001501-24 Replacement Housing Factor Grant No: Date of CFFP:	FFY of Grant: 2024 FFY of Grant Approval: 2024
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Type of Grant

☒ Original Annual Statement
 ☐ Reserve for Disasters/Emergencies
 ☐ Revised Annual Statement (revision no:)
 ☐ Final Performance and Evaluation Report

☐ Performance and Evaluation Report for Period Ending:

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total Non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³	\$0.00	\$0.00	\$0.00	\$0.00
3	1408 Management Improvements	\$0.00	\$0.00	\$0.00	\$0.00
4	1410 Administration (may not exceed 10% of line 21)	\$0.00	\$0.00	\$0.00	\$0.00
5	1411 Audit	\$0.00	\$0.00	\$0.00	\$0.00
6	1415 Liquidated Damages	\$0.00	\$0.00	\$0.00	\$0.00
7	1430 Fees and Costs	\$0.00	\$0.00	\$0.00	\$0.00
8	1440 Site Acquisition	\$0.00	\$0.00	\$0.00	\$0.00
9	1450 Site Improvement	\$0.00	\$0.00	\$0.00	\$0.00
10	1460 Dwelling Structures	\$0.00	\$0.00	\$0.00	\$0.00
11	1465.1 Dwelling Equipment-Nonexpendable	\$0.00	\$0.00	\$0.00	\$0.00
12	1470 Non-dwelling Structures	\$0.00	\$0.00	\$0.00	\$0.00
13	1475 Non-dwelling Equipment	\$0.00	\$0.00	\$0.00	\$0.00
14	1485 Demolition	\$0.00	\$0.00	\$0.00	\$0.00
15	1492 Moving to Work Demonstration	\$3,517,456.00	\$0.00	\$0.00	\$0.00
16	1495.1 Relocation Costs	\$0.00	\$0.00	\$0.00	\$0.00
17	1499 Development Activities ⁴	\$0.00	\$0.00	\$0.00	\$0.00
18a	1501 Collateralization or Debt Service paid by the PHA	\$0.00	\$0.00	\$0.00	\$0.00
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment	\$0.00			\$0.00
19	1502 Contingency (may not exceed 8% of line 20)	\$0.00	\$0.00	\$0.00	\$0.00
20	Amount of Annual Grant: (sum of lines 2-19)	\$3,517,456.00	\$0.00	\$0.00	\$0.00
21	Amount of line 20 Related to LBP Activities	\$0.00	\$0.00	\$0.00	\$0.00
22	Amount of line 20 Related to Section 504 Activities	\$0.00	\$0.00	\$0.00	\$0.00
23	Amount of line 20 Related to Security -- Soft Costs	\$0.00	\$0.00	\$0.00	\$0.00
24	Amount of line 20 Related to Security -- Hard Costs	\$0.00	\$0.00	\$0.00	\$0.00
25	Amount of line 20 Related to Energy Conservation Measures	\$0.00	\$0.00	\$0.00	\$0.00
Signature of Executive Director		Date	Signature of Public Housing Director		Date

¹ To be completed for the Performance and Evaluation Report.

² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.

⁴ RHF funds shall be included here.

PHA Name: **ALASKA HOUSING FINANCE CORPORATION**

Grant Type and Number
Capital Fund Program Grant No: **AK01P001501-24**
CFFP (Yes/No): **No**
Replacement Housing Factor Grant No:

[illegible]

² To be completed for the Performance and Evaluation Report.

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ALASKA HOUSING FINANCE CORPORATION

Finance Board Report - APRIL 2024

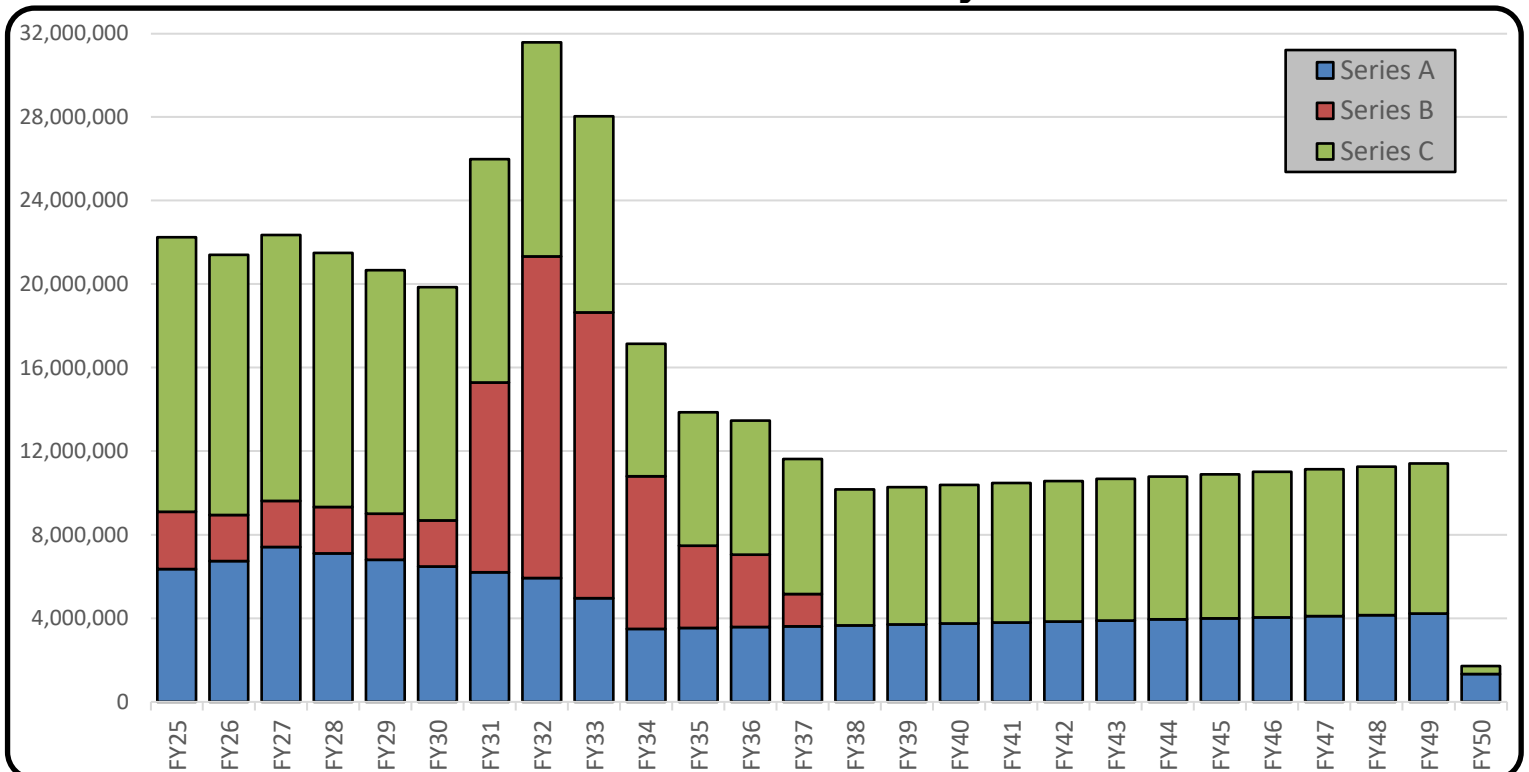
GENERAL MORTGAGE REVENUE BONDS II, 2024 SERIES A, B & C

Bond Statistics	
Series A&B Par Amount	\$123,120,000
Series C Par Amount	\$120,000,000
Bond Premium	\$6,710,000
Series A&B Bond Yield	4.07%
Series C Bond Yield	5.75%
Pricing Date	01/23/24
Series A&B Delivery Date	03/05/24
Series C Delivery Date	02/01/24
Maturity Date	06/01/54
Bond Type	Housing Revenue
Interest Type	Fixed Rate
Series A&B Tax Status	Tax-Exempt
Series C Tax Status	Taxable
Credit Ratings	AA+/Aa1
Series A&B Procceds	FTHB/Refunding
Series C Procceds	Taxable Loans
Average Bond Life	12 Years
Underwriter Discount	\$1,237,000

Orders by Seller	
Jefferies (Senior Manager)	\$980,185,000
Wells Fargo (Co-Manager)	\$34,955,000
Raymond James (Co-Manager)	\$27,610,000
Bank of America (Co-Manager)	\$24,380,000
Barclays (Co-Manager)	\$22,000,000
JP Morgan (Co-Manager)	\$17,595,000
Fidelity (Selling Group)	\$14,240,000
Morgan Stanley (Selling Group)	\$6,980,000

Orders by Buyer	
4086 Advisors Insurance	\$72,185,000
Guggenheim Partners	\$66,460,000
Metropolitan Life Insurance	\$66,460,000
Spring Lake Hedge Fund	\$54,930,000
Old Orchard Capital Management	\$52,040,000
Penn Mutual Life Insurance	\$51,530,000
Whitehaven Asset Management	\$51,530,000
Fort Washington Investment	\$50,510,000

GMRB 2024 ABC Debt Service by Fiscal Year

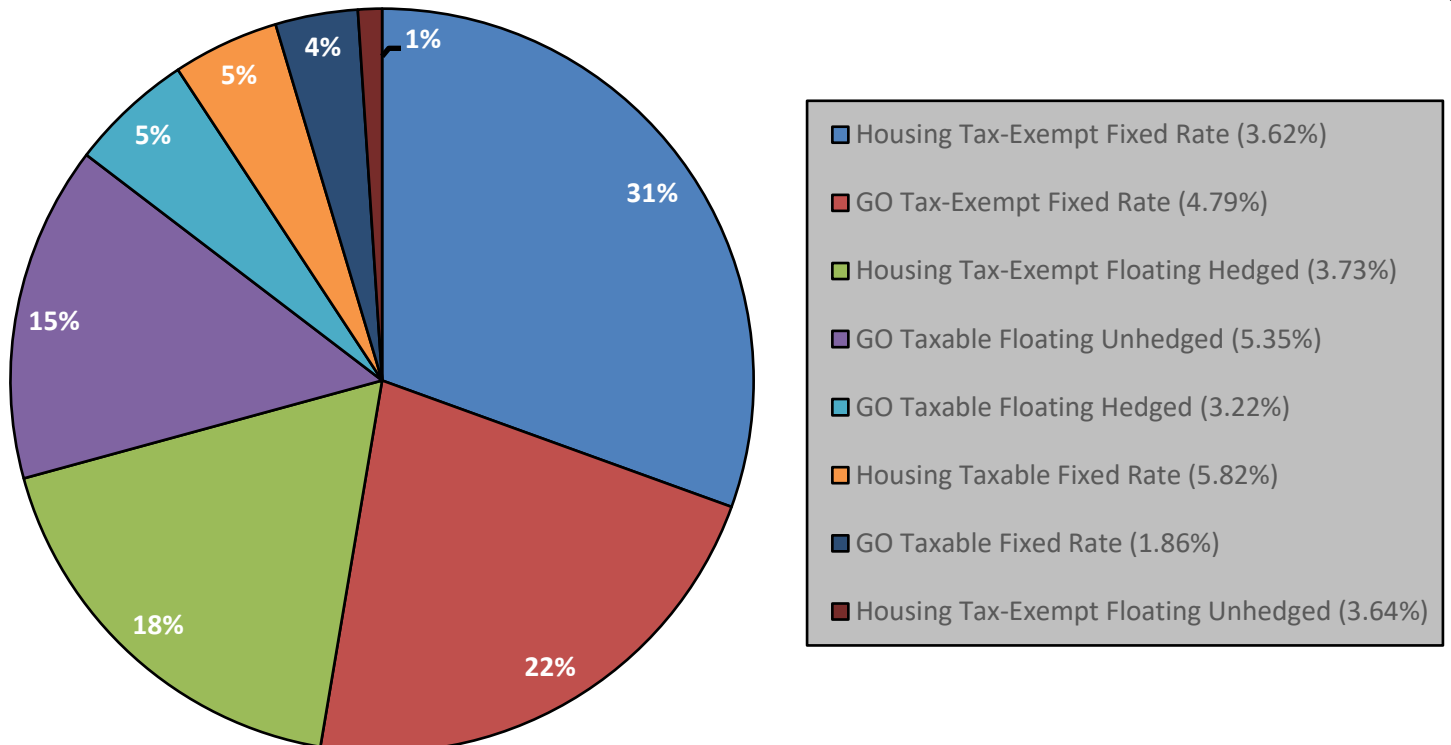


ALASKA HOUSING FINANCE CORPORATION

Finance Board Report - APRIL 2024

	Current Month	1 Year Ago		2 Years Ago	
	03/31/24	03/31/23	% Change	03/31/22	% Change
Total Mortgage Portfolio	3,546,692,139	3,234,504,938	10%	3,022,772,556	17%
Total Bonds Outstanding	2,599,715,000	2,322,915,000	12%	2,253,190,000	15%
Mortgage/Bond Ratio	1.36	1.39	(2%)	1.34	2%
Mortgage Purchases (12 Months)	549,176,115	542,092,461	1%	593,177,702	(7%)
Mortgage Payoffs (12 Months)	130,793,204	201,310,906	(35%)	485,008,566	(73%)
Purchase/Payoff Variance	418,382,911	340,781,555	23%	108,169,136	287%
Bond Issuances (12 Months)	393,015,000	385,665,000	2%	213,215,000	84%
Bond Redemptions (12 Months)	21,500,000	338,000,000	(94%)	140,715,000	(85%)
Issuance/Redemption Variance	371,515,000	47,665,000	679%	72,500,000	412%
Mortgage Average Rate	4.47%	4.15%	8%	4.01%	11%
Fixed Bond Average Rate	3.97%	3.73%	6%	3.61%	10%
Mortgage/Fixed Bond Spread	0.50%	0.42%	19%	0.40%	25%
Current Investment Rate	5.43%	4.86%	12%	0.41%	1224%
Current Floating Bond Rate	5.23%	4.80%	9%	0.58%	802%
Investment/Float Bond Spread	0.20%	0.06%	233%	(0.17%)	218%

AHFC Bond Portfolio by Category with Yields



ALASKA HOUSING FINANCE CORPORATION

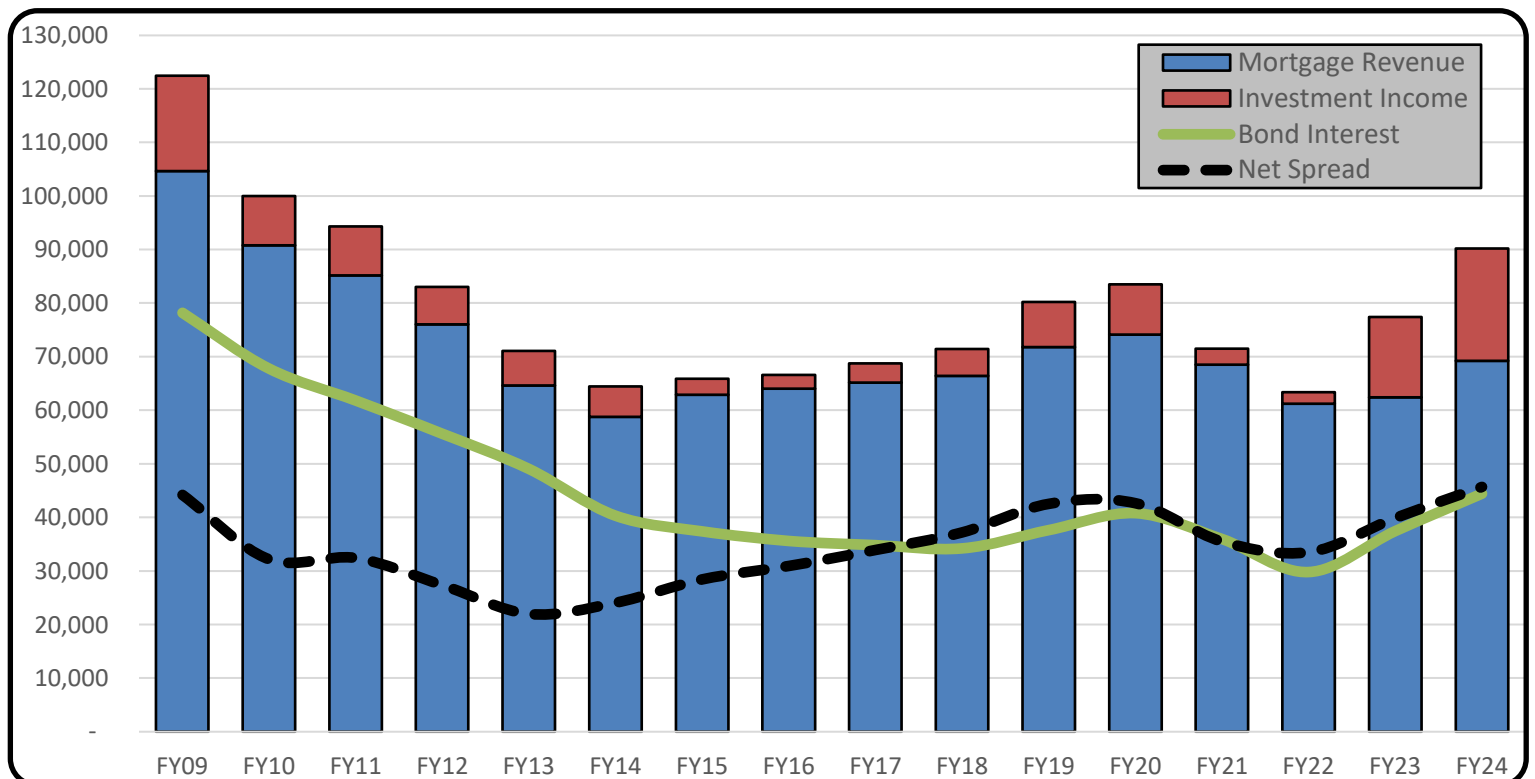
Finance Board Report - APRIL 2024

FINANCIAL STATEMENTS:

(\$ in Thousands)

	Current Year	1 Year Ago		2 Years Ago	
	FY24 Q2	FY23 Q2	% Change	FY22 Q2	% Change
Mortgage and Loan Revenue	69,235	62,426	11%	61,229	13%
Grant, Subsidy & Rental Revenue	46,314	90,978	(49%)	91,478	(49%)
Total Investment Income	20,926	14,967	40%	2,115	889%
Other Revenues	1,448	3,430	(58%)	2,594	(44%)
Total Operating Revenues	137,923	171,801	(20%)	157,416	(12%)
Bond Interest Expenses	44,460	37,475	19%	29,805	49%
Grant, Subsidy & Rental Expense	47,898	89,301	(46%)	90,650	(47%)
Operations and Administration	26,145	24,975	5%	23,636	11%
Other Expenses	10,117	10,578	(4%)	8,129	24%
Total Operating Expenses	128,620	162,329	(21%)	152,220	(16%)
Total Operating Income	9,303	9,472	(2%)	5,196	79%
Contributions to State of Alaska	3,352	4,458	(25%)	0	N/A
Change in Net Position	5,951	5,014	19%	5,196	15%
Dividend Contributions & Adjustments	13,109	19,366		15,090	
Adjusted Change in Net Position	19,060	24,380		20,286	
Dividend Calculation (75%)	14,295	18,285	(22%)	15,215	(6%)
Total Assets w/ Deferred Outflows	4,328,797	4,364,544	(1%)	4,417,661	(2%)
Total Liabilities w/ Deferred Inflows	2,694,596	2,760,069	(2%)	2,796,534	(4%)
Net Position	1,634,201	1,604,475	2%	1,621,127	1%

Leverage Net Spread Comparison (through Q2)



Mortgage Operations

MORTGAGE ACTIVITY SUMMARY LOANS PURCHASED BY PROGRAM

LOAN PROGRAM	March 2024		March 2023		FY 2024 Thru 03/31/2024		FY 2023 Thru 03/31/2023	
	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume	# of Loans	Total Dollar Volume
First Home	12	4,573,763	13	4,747,399	322	114,720,004	268	91,400,382
First Home Limited	19	5,217,864	12	2,548,222	322	82,946,963	281	62,724,920
Military Facility Zone	0	0	0	0	1	302,650	2	831,600
My Home	21	8,699,499	19	5,726,788	455	181,040,420	417	166,971,634
My Home Second	1	50,750	0	0	3	433,650	0	0
Rural Loan Program	9	2,699,599	11	3,456,816	73	23,400,491	142	40,454,779
Uniquely Alaskan	0	0	0	0	1	236,000	6	1,803,030
Veterans Mortgage Program	9	3,002,559	1	456,198	138	58,106,921	67	28,850,144
Residential Loan Program Totals	71	24,244,034	56	16,935,423	1,315	461,187,099	1,183	393,036,489
Condominium Association Loans	0	0	0	0	2	584,400	1	220,000
Multi-Family AHFC Originated	0	0	0	0	1	160,000	1	8,400,000
Multi-Family Lender Originated	0	0	0	0	5	3,677,500	13	10,634,100
Multi-Family Special Needs	1	736,250	1	688,750	4	2,515,600	6	3,192,625
Multi-Family Loan Program Totals	1	736,250	1	688,750	12	6,937,500	21	22,446,725
Total Loans Purchased	72	24,980,284	57	17,624,173	1,327	468,124,599	1,204	415,483,214
LOAN PROGRAM OPTIONS (Included in Total Loans Purchased)								
Energy Efficiency Interest Rate Reduction	1	500,000	2	769,250	50	20,668,036	52	20,411,301
Interest Rate Reduction Low Income Borrowers	0	0	1	212,121	16	2,833,235	22	3,365,123
Renovation Options	5	1,864,334	6	1,747,008	39	11,652,267	64	19,578,591
Streamline Refinances	0	0	0	0	0	0	0	0

Mortgage Operations

AK Real Estate Cumulative Statistics 1st Quarter (2023 vs 2024)

	NEW LISTINGS				NUMBER SOLD				AVG SALES PRICE				DAYS ON MARKET		
	2023	2024	% Chg		2023	2024	% Chg		2023	2024	% Chg		2023	2024	% Chg
Anchorage Residential	506	496	-1.98%		357	381	6.72%		449,000	471,649	5.04%		40	41	2.50%
Anchorage Condo	241	226	-6.22%		166	169	1.81%		257,769	266,718	3.47%		23	24	4.35%
Mat Su Residential	502	464	-7.57%		309	281	-9.06%		374,017	396,320	5.96%		54	50	-7.41%
Mat Su Condo	12	10	-16.67%		7	5	-28.57%		226,860	264,900	16.77%		17	14	-17.65%
Kenai Pen. Residential	170	227	33.53%		90	123	36.67%		351,058	364,766	3.90%		61	60	-1.64%
Kenai Pen. Condo	6	2	-66.67%		2	1	-50.00%		282,375	128,000	-54.67%		31	24	-22.58%
FNSB Residential	372	256	-31.18%		176	158	-10.22%		319,712	308,813	-3.41%		49	51	4.08%
FNSB Condo	17	14	-17.65%		5	15	200.00%		139,740	189,306	35.47%		22	19	-13.64%
SE Residential	84	91	8.34		50	59	18.00%		467,062	433,012	-7.29%		44	62	40.91%
SE Condo	28	17	-39.28%		23	15	-34.78%		227,763	305,726	34.23%		19	88	363.16%

Courtesy: Alaska MLS, Fairbanks Board of Realtors & Southeast Board of Realtors

Public Housing Operations Update

April 2024



Operations Updates:

- Moving to Work program was extended to 2038, this is our 16th Moving to Work Plan.
- Launched *Landlord Appreciation Program* to provide a \$1,000 incentive payment to all landlords that sign a one-year lease with a voucher family.
- Began subsidizing *HomePlate* development in Nome with 15 new sponsor based rental assistance units.
- *New Start Voucher* began subsidizing families leaving the Planning Stabilization Program.
- RentCafe Referral and Landlord Portal became operational to streamline applications and flow of information to outside parties.

Facilities Management Updates:

- **Anchorage** –Chugach View & Manor backup generators underway. North Lane triplex security camera upgrade complete. Range Hood Suppression systems for 525 Taylor and 408 Park complete, Frontier Fire Protection. East Anchorage smoke and co detector replacement.
- **Bethel** –Emergency Fuel Response, initial efforts complete, additional monitoring and parts replacement ongoing, AHFC. Furnace and Water Heater pump replacement, nearing award.
- **Cordova** – Fuel Tank Replacement, boiler replacement and fire system upgrades.
- **Fairbanks** – Birch Park I Heating System Components awarded April 2024. Birch Park II Heating System Components awarded. Flatwork indefinite quantities contract, preparing solicitation. Multi Property fire system repairs, inspections complete, awaiting bids.
- **Juneau** –Riverbend HRV Replacement awarded, phase II nearly complete, phase III award upon funding availability. Fuel Tank Replacement for Riverbend awarded. Mountain View Siding and Window Replacement awarded.
- **Ketchikan** – Schoenbar Playground and siding awarded.
- **Kodiak** – Pacific Terrace Siding and Window Replacement underway.
- **Nome** –Foundation Leveling underway.
- **Sitka** –Swan Lake & Paxton Manor Fuel Tank Replacement nearly complete, and concrete walkway and railing replacement out for bid.
- **Statewide** – Range Hood Suppression Canisters installation underway, Playground Replacement, ongoing. Fire blankets purchase underway. Fuel Tank Replacement, ongoing. Roof Inspection & Replacement, ongoing. Supplemental Maintenance and Repair Anchorage, contracts awarded and work underway.

Research and Rural Development Department

April 24, 2024 Board Report

Research and Rural Development Department staff help to promote a sustainable built environment so that Alaskans have access to safe, quality, and affordable housing. Staff accomplish this mission through management of a variety of programs, services, education, technical assistance, and resources.

The Supplemental Housing Development Grant program provides funding to Regional Housing Authorities for housing infrastructure projects specifically for electrical distribution, water & sewer, access roads, and energy efficiency design features. Research and Rural Development recently awarded eleven Regional Housing Authorities with Supplemental program funding.

New Funding for Program Year 2024

Total Awarded \$3,204,403.70

Agency-Project	Award
AVCP Regional Housing Authority	\$314,929.83
Bristol Bay Housing Authority	\$314,929.84
Baranof Island Housing Authority	\$314,929.84
Bering Strait Regional Housing Authority	\$314,929.84
Cook Inlet Housing Authority	\$314,929.84
Copper River Basin Housing Authority	\$314,929.84
Interior Regional Housing Authority	\$314,929.84
Ketchikan Indian Community	\$241,965.00
Kodiak Island Housing Authority	\$143,000.00
Northwest Inupiat Housing Authority	\$300,000.00
Tlingit-Haida Regional Housing Authority	\$314,929.83

Planning and Program Development

April, 2024

Fast Facts

- Managing 21 Active Housing Programs
- Managing 211 Active Grant Agreements, Tax Credit Awards and Contracts
- Quick Program Updates
 - o GOAL Program Award Criteria Public Comment Process Held
 - o Last Frontier Housing Initiative Program Launch
 - o On-site visits with development partners in Bethel, Ketchikan, Kotzebue, and Sitka

Homeless Assistance and Special Needs Housing Grant Programs: These data report the number of Alaskans served during the entire month of February

- Emergency Shelter: 564
- Transitional Housing: 416
- Prevention Programs: 394 – these numbers exclude the Federal COVID Housing Relief
- Permanent Supportive Housing Units: 332

AHFC Funded Homeless and Support Service Programs

Homeless Assistance, Special Needs Housing and SAFE-T Program Awards	Active Awards	Annualized Awards
Services - Adult General	31	\$5,577,177
Service - Permanent Supportive Housing	14	\$3,021,260
Service - Prevention	4	\$984,118
Service - Shelter	13	\$1,571,799
Services - Domestic Violence	8	\$680,005
Service - Permanent Supportive Housing	1	\$133,162
Service - Prevention	4	\$219,022
Service - Shelter	3	\$327,821
Services - Family	6	\$2,647,849
Service - Permanent Supportive Housing	1	\$197,816
Service - Prevention	2	\$717,383
Service - Shelter	3	\$1,732,650
Services - Youth	3	\$799,291
Service - Shelter	3	\$799,291
Services - Adult General	3	\$322,891
Service - Prevention	1	\$98,002
Service - Shelter	2	\$224,889
Grand Total	51	\$10,027,213

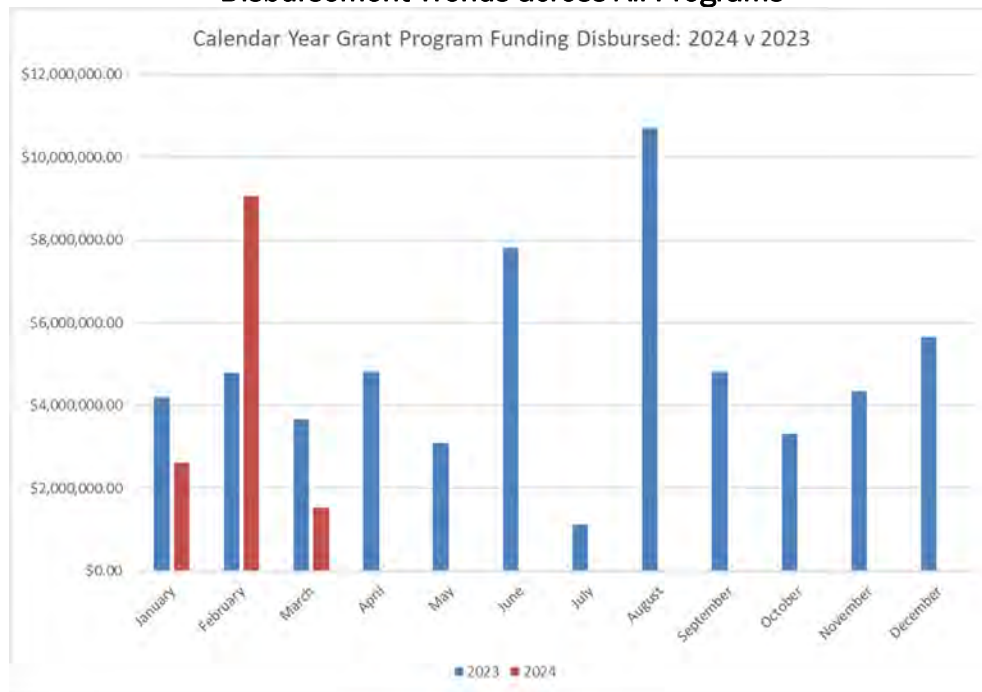
Development Programs Activity

Active Developments by Housing Type	Number of Active Awards Managed	Housing Units Being Built	Total Development Costs
Families	14	338	\$130,110,677.00
Rural Professionals	32	106	\$36,547,123.00
Senior Housing	6	167	\$56,424,531.00
Supportive Housing	6	146	\$51,686,152.00
Grand Total	58	757	\$274,768,483.00

Development Program Notes:

- 43 distinct development partners are currently building in 42 distinct communities
- 30 of 42 communities with active developments meet AHFC's small communities definition

Disbursement Trends across All Programs



Disbursement Activity Notes:

- Eighty-seven (87) disbursements were processed during the month of March. Historically, between 24 to 135 disbursements are paid out each month.
 - o In calendar year 2023, \$58.2M in total funding was disbursed to grantees
 - o In calendar year 2022, \$113.5M in total funding was disbursed to grantees
 - o In calendar year 2021, \$225.9M in total funding was disbursed to grantees
 - o In calendar year 2020, \$33.3M in total funding was disbursed to grantees

The Last Frontier Housing Initiative

Board of Directors Update

April 24, 2024



The Challenge



On and off the road system, we hear...

- People that clear remote runways are having a hard time finding housing
- Jobs are going unfilled b/c prospective employees can't find a place to live... the longer those positions go unfilled, the likelier it becomes those jobs will disappear altogether for the community
- People across broad income ranges are sleeping on office floors during work assignments
- Many people (those who have the \$\$) have to buy homes sight-unseen before the properties can on the market

AHFC's Response: Last Frontier Housing Initiative



The Last Frontier Housing Initiative is made up of four parts

- Needs assessment: Public Safety and Commissioner survey
- Analyzing past allocations and gaps in housing coverage
- Assessing resources and the available allocation options
- Implementation! Charting capacity and building units

New Housing Developments in Focus Areas*



Community	Rural Professional Program	Affordable Housing Programs
Bethel	2015	2022
Kotzebue	2023, 2004	2001
Nome	2020, 2008	2022, 2008
Sitka**	N/A	2007
Ketchikan**	N/A	2022, 2009

Historically, these five communities have experienced challenges in utilizing development resources that serve “small communities” or urban hubs

*Notes the two most recent award cycles where AHFC funded new housing builds in the respective communities

**Sitka and Ketchikan are the only two communities not connected by road to Anchorage with populations above the 6,500 threshold for “small communities”

Distribution of Population

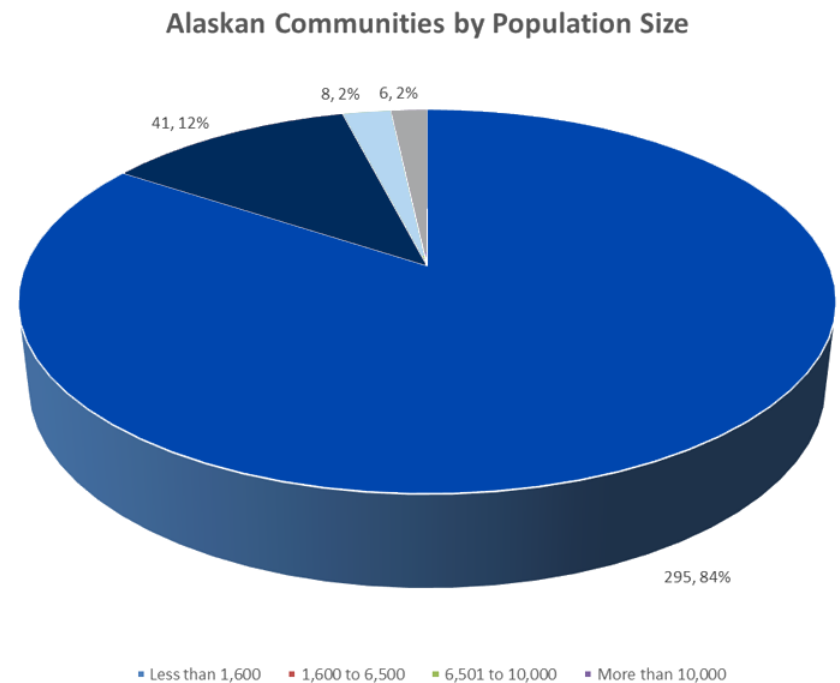
Community Population Facts

Alaska has 350 distinct communities:

- 295 have 1,600 or fewer people
- 336 have 6,500 or fewer
- 344 have 10k or fewer

8 communities have populations between 6,500 and 10,000 but only two of these are not connected by road to Anchorage or Fairbanks

These two communities are Ketchikan and Sitka.



Last Frontier Housing Initiative: Funding Split



Boost 2023 Rural Professional Housing

Increase funds available for the current Rural Professional Housing round to facilitate seven (7) statewide developments.

Awarded funding (11/21) to build/renovate 17 rural professional housing units in Hoonah, Napakiak, Talkeetna, Thorne Bay, Togiak, Venetie and Yakutat.

Western Alaska Focus

Announce targeted rural professional and affordable housing funds to governments in Bethel, Nome and Kotzebue.



Southeast Alaska Focus

Announce targeted affordable housing funds to governments in Ketchikan and Sitka.

The Traditional Approach



Last Frontier Housing Initiative: West

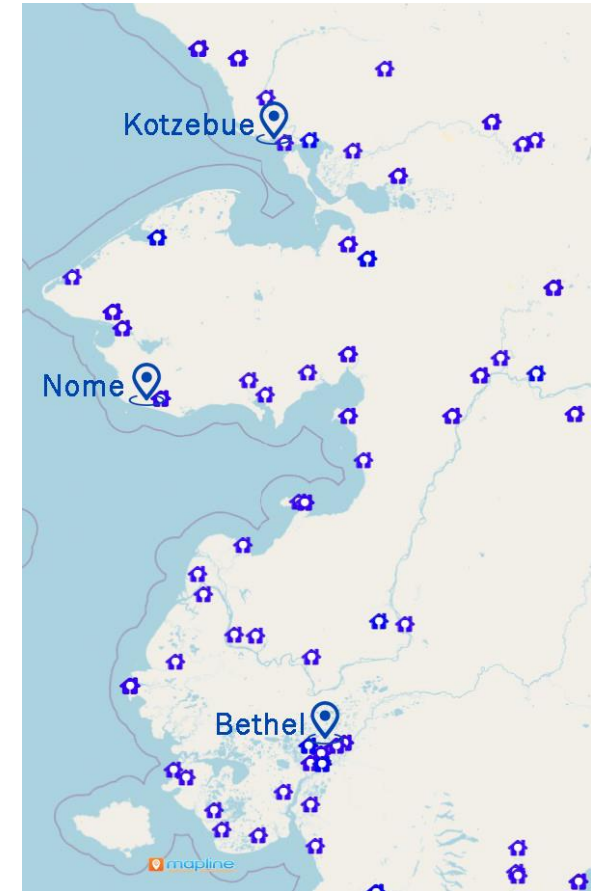


Allocation Terms for \$5.0M (each) to Bethel, Kotzebue and Nome with local government* commitment for the following:

- Identifying/securing land
- Assembling/selecting development team (builder/architect)
- Identifying/recruiting property manager
- Securing at least 15% match to project cost
- Scope approval & vehicle to backstop cost overruns
- Delivering minimum of 6 new professional housing units and 3 new affordable housing units.

Regardless of the construction completion, all ERA funding must be paid out prior to 9/30/2025 to satisfy the Treasury program rules.

*Dedicated Alaska Housing staff will be available to provide technical assistance and support through the development process.



Last Frontier Housing Initiative: Southeast



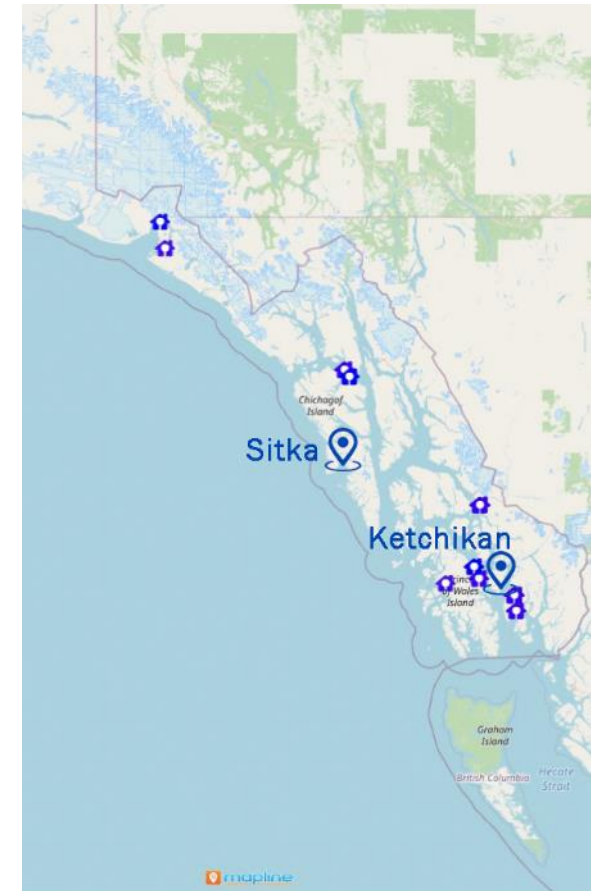
Southeast Affordable Housing Initiative: Sitka and Ketchikan

\$4.5M (each) to Sitka and Ketchikan to develop affordable housing using Emergency Rental Assistance (ERA) funding, conditioned on the local governments:

- Identifying / securing land
- Assembling the development team (builder / architect)
- Recruiting the property manager
- Securing at least 15% Match to the development(s)
- Scope approval & vehicle to backstop cost overruns
- Delivering a minimum of 8 affordable housing units

Regardless of the construction completion, all ERA funding must be paid out prior to 9/30/2025 to satisfy the Treasury program rules.

*Dedicated Alaska Housing staff will be available to provide technical assistance and support through the development process.



The Outreach Plan: We go to them



Several meetings are in Anchorage

And other meetings are on-site



facebook.com



Last Frontier Housing Initiative: Where Things Stand



Since the November 21st start

- 30+ separate meetings with Commissioners and community partners
- Four on-site meetings in communities
- All five (5) communities are moving forward
- Funding agreements drafted, first agreements issued
- Site-clearing underway in one community
- Development RFPs queued up in at least two communities

AHFC BOARD OF DIRECTORS SCHEDULE 2024

January 31, 2024 (Audit Committee & ~~AHFC Regular~~ - cancelled)

February 21, 2024 (~~AHFC Regular~~-cancelled)

April 24, 2024 (AHCC Annual Membership & Board & AHFC Regular)

May 29, 2024 (Audit Committee & AHFC Regular)

June 26, 2024 (AHFC Regular)

July 24, 2024 (AHFC Regular)

August 21, 2024 (AHFC Annual- Location TBD)

(NCSHA Annual Conference 2024 Sept. 28-October 1, Phoenix, AZ)

October 30, 2024 (Audit Committee, ACAH Annual Membership & Board, & AHFC Regular)

November 20, 2024 (NTSC Annual Membership & Board, & AHFC Regular)