

Dear Applicant:

Enclosed is information on the AHFC Rural Small Building Material Loan Program and how to apply. The maximum loan amount available for this program is \$100,000.

This loan program is only available for property located in small communities defined as communities with a population of 6,500 or less, that is not connected by road or rail to Anchorage or Fairbanks, or a population of 1,600 or less that is connected by road or rail to Anchorage or Fairbanks and at least 50 statute miles outside of Anchorage or 25 statute miles outside of Fairbanks. In this definition, connected by road does not include a connection by the Alaska Marine Highway System or roads outside the boundary of the State of Alaska.

If you have started your project, you may be reimbursed for the costs you have already incurred, provided your receipts are not over a year old from the time of loan application.

Typically you will be allowed up to six months to complete your project. It is important that both your project costs and time constraints are budgeted and followed.

Construction or renovation must be made to meet current International Residential Code requirements, and no health and safety hazards may exist upon completion. If the construction of your home began after January 1, 1992, the Alaska Building Energy Efficiency Standard (BEES) applies and the project must meet the Standard. If the construction of your home began after July 1, 1992, the project must meet Minimum Construction Standards for the State of Alaska.

Information in this letter is general and brief; therefore other restrictions may apply.

When your package is complete, mail it to:

Alaska USA Federal Credit Union
Real Estate Telephone Loan Center (RETLIC)
P.O. Box 196613
Anchorage, AK 99519-6613

If you need help completing your application, call:

In Anchorage: 907-786-2800
Outside Anchorage: 1-888-425-9813

Minimum Qualifications:

- The property must be located in areas within AHFC's Rural Loan Program.
- Loan funds may be used for purchase of building materials, freight and third-party labor costs; borrower or borrower's family may not be paid for their own labor.
- Loan funds may not be for equity extractions.
- The project must improve the livability of the structure and may not be primarily for luxury items.
- The project must be 100% complete when loan is fully disbursed.
- Any health and safety items must be repaired; loan funds may be used for these repairs (see attached examples).
- Owner-occupied properties are limited to single family, duplex, triplex and fourplex.
- Non-owner occupied properties are limited to duplex, triplex and fourplex.
- The First Mortgage Loan-to-Value cannot exceed 90% on single family or duplex and 80% on triplex or fourplex.
- The Second Mortgage combined Loan-to-Value cannot exceed 75% for any property type.

Loan Terms:

- \$100,000 maximum loan amount
- Maximum term of 15 years
- Minimum payment amount of \$100
- Monthly payment frequency
- Collateral: Deed of Trust on the subject property
- Interest Rate: 15-year Rural Loan Program, plus .500%

Sample Health and Safety Issues

Following are some examples of health and safety items that cannot exist when the project is complete.

Handrails and Guardrails

All decks, stairs, and lofts that are exposed to open areas that are over 30 inches in height must have a safety barrier. A handrail and/or guardrail must be built with vertical uprights that are not spaced more than four inches apart if this is new construction. If these items were built and completed prior to 1991, six inches of spacing is acceptable. Enclosed stairs also require handrails.

Windows

At least one window in each bedroom must open and allow escape. It must meet the minimum legal egress size, which is currently 5.7 square feet of clear opening area.

In addition, the bedroom window that opens generally should have a sill height no higher than 44 inches. If the sill height is higher than 44 inches, call your AHFC representative for repair options.

Decay

All stairs, decks, flooring, foundations, and roofs must be adequately built; any rot or deterioration must be replaced.

Electrical Wiring

Any exposed wiring that has an electrical current running through it must be enclosed in an electrical box or wire conduit to prevent any electrical shock.

**** Note: Funds from the Building Material Loan can be used to fix the health, safety and decay the home may have.***

Rural Small Building Material Loan Checklist

The following forms are enclosed and need to be returned to Alaska USA Federal Credit Union to complete your application package:

1. **Child Support Verification**. Sign your name(s) in Part I on the lines(s) under “signature.” Do not complete PART II of the form. The form is required by law, even if you do not have children.
2. **Federal Equal Credit Opportunity Act**. Read, sign your name(s) and date.
3. **Statement Regarding Loan Application**. Read, sign your name(s) and date.
4. **Waiver and Release of Liability of the Corporation**. Read, sign your name(s) and date.
5. **Borrower’s Signature Authorization Form**. Read, sign your name(s) and date.
6. **Construction Cost Breakdown**. This form is to be completed UNLESS substantially the same information is otherwise provided, such as a contractor’s bid or supplier’s list.
7. **Application**. Fill out as completely as you can. If you do not understand any portion, please contact Alaska USA Federal Credit Union’s Real Estate Telephone Loan Center (RETLC) for assistance.

In addition to the above forms, please send the following information:

- Copies of last 2 years signed tax returns, complete with all schedules and W2s
- Copies of last 2 paycheck stubs (if self-employed, year-to-date Profit and Loss)
- Copies of last 2 months bank statements, both checking and savings
- Proof you own your property (e.g., copy of the Warranty Deed or other similar documentation that shows your name in title and legal description)
- Explanation of your project and what you would like to do, including a sketch and/or photos (if you have already started your project, state its present stage)
- Complete list of material and prices needed to complete your project, including any contracted labor (e.g., estimate from supplier or a list of your own that includes an explanation of how you determined the list price)
- If doing the labor yourself, provide information regarding past experience or other explanation documenting your ability to do the work required
- Photo(s) of your home, in addition to photos of your project
- If in a taxing area, copy of last tax assessment on your property
- Copy of your Alaska Driver’s License, state ID or other official picture ID

Child Support Verification

Part I – Request

To: Child Support Services Division
 Attn: _____
 550 W. 7th Avenue, Suite 310
 Anchorage, AK 99501

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

	<u>Applicant(s) Name</u>	<u>Soc. Sec. No.</u>	<u>Address</u>	<u>Signature*</u>
a.	_____	_____	_____	_____
b.	_____	_____	_____	_____
c.	_____	_____	_____	_____
d.	_____	_____	_____	_____

* Signature authorizes release of information.

Signature of Lender

Date

Part II – Verification

(To be Completed by Child Support Services Division)

Are applicants currently obligated to pay child support?

- | | | | |
|----|----------|-----------|----------------------------------|
| a. | No _____ | Yes _____ | Monthly Payment Amount: \$ _____ |
| b. | No _____ | Yes _____ | Monthly Payment Amount: \$ _____ |
| c. | No _____ | Yes _____ | Monthly Payment Amount: \$ _____ |
| d. | No _____ | Yes _____ | Monthly Payment Amount: \$ _____ |

Does a child support arrearage exist for any of the applicants?

- | | | |
|----|----------|-----------|
| a. | No _____ | Yes _____ |
| b. | No _____ | Yes _____ |
| c. | No _____ | Yes _____ |
| d. | No _____ | Yes _____ |

If an arrearage exists, the amount of the arrears is: \$ _____

Comments: _____

Information verified by:

Name

Date

Construction Cost Breakdown

Borrower(s): _____ Phone: _____

Address: _____

Contractor: _____ Phone: _____

Address: _____ Contact: _____

Legal: _____

Square Feet _____ # Floors _____ Garage? _____ Garage Size _____ # Bedrooms _____ # Baths _____

Column A

Building Permit \$ _____

Builder's Risk Insurance _____

Workman's Comp. Insurance _____

Inspections:

 New Construction _____

 Energy Rating _____

Appraisal _____

Survey _____

Demolition _____

Excavation & Grading _____

Foundation _____

Driveway:

 Gravel _____

 Concrete/Asphalt _____

Masonry:

 Concrete Block _____

 Brick _____

 Fireplace & Chimney _____

Lumber:

 Rough _____

 Finish _____

 Siding _____

Carpentry Labor:

 Rough _____

 Finish _____

Sanitation:

 Water Hook-Up _____

 Sewer hook-Up _____

 Septic tank _____

 Well _____

 Plumbing _____

 Fixtures – Sinks, Tubs _____

Metal Work:

 Structural Steel _____

 Sheet Metal _____

 Ornamental Iron _____

Roof:

 Trusses _____

 Glulam _____

 Composition _____

 Shakes _____

 Hot Mop _____

 Metal Roofing _____

Subtotal A \$ _____

Column B

Air Conditioning \$ _____

Heating:

 Gas/Oil _____

 Electric _____

 Ducting _____

 Wood Stove _____

Millwork:

 Trim, Casings, Baseboards _____

 Cabinets – Kitchen _____

 Cabinets – Bath _____

 Doors – Int & Ext _____

 Countertops _____

 Closet Shelves & Poles _____

 Labor _____

Glass:

 Windows _____

 Mirrors _____

Painting:

 Exterior _____

 Interior _____

Tile work:

 Baths – Ceramic _____

Kitchen:

 Floors _____

Floors – Materials & Labor:

 Hardwood _____

 Linoleum _____

 Carpeting _____

Central Vacuum _____

Equipment:

 Range, Oven & Hood _____

 Trash Compactor _____

 Microwave _____

 Dishwasher _____

 Disposal _____

 Smoke Detectors _____

 Electronic Garage Door _____

 Intercom _____

Landscaping:

 Topsoil _____

 Lawn _____

 Shrubs _____

Subtotal B \$ _____

Column C

Walls & Ceiling:

Sheetrock, Tape, Texture \$ _____
Wallpaper _____
Paneling _____

Electric:

Wiring _____
Boxes _____
Fixtures _____
Insulation _____
Vapor Barrier _____

Hardware:

Rough _____
Finish _____
Stairs & Railings _____
Decks & Patio _____

Subtotal C \$ _____

Column D

Landscaping Cont'd:

Sprinkler System _____
Fence _____
Miscellaneous _____
Freight _____
Nails, Screws, Fittings _____

Millwork:

_____ _____
_____ _____
_____ _____

Sales Tax _____
Land _____
Architect's Plans & Costs _____
Construction Financing Costs _____
Contract Cost (if not itemizing) _____

Subtotal D \$ _____

Total Cost of Construction (Subtotal A + B + C + D) = \$ _____

I/We certify the above is, to the best of my/our knowledge, a true and correct statement of the estimated cost of this job.

Borrower

Date

Borrower

Date

Federal Equal Credit Opportunity Act

The Federal Equal Credit Opportunity Act (ECOA) prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national, origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract), receipt of public assistance benefits, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency which administers compliance with this law concerning this creditor is:

Federal Trade Commission
Equal Credit Opportunity
Washington, DC 20580

or

Office of the Comptroller of the Currency
Consumer Affairs Division
Washington, DC 20219

Should you have any questions, you have the right to contact Alaska Housing Finance Corporation (AHFC) at the address shown below or the federal agencies stated above.

Alaska Housing Finance Corporation
P.O. Box 101020
Anchorage, AK 99510

Under the ECOA, you have the right to receive a copy of the appraisal report used in connection with your application for credit. If you wish to receive a copy, you must send a written request to AHFC no later than 90 days after you are notified about the action taken on the application or you withdraw the application. Please include the following information with your request:

1. name(s) of the applicant(s)
2. address where the copy is to be sent
3. address of the appraised property
4. date of your application

Borrower

Date

Borrower

Date

Borrower's Signature Authorization Form

Privacy Act Notice: This information is to be used by the agency collecting it or its assignees in determining whether you qualify as a prospective mortgagor under its program. It will not be disclosed outside the agency except as required and permitted by law. You do not have to provide this information, but if you do not your application for approval as a prospective mortgagor or borrower may be delayed or rejected. The information requested in this form is authorized by Title 38, USC, Chapter 37 (if VA); by 12 USC, Section 1701 et. seq. (if HUD/FHA); by 42 USC, Section 1452b (if HUD/CPD); and Title 42 USC 1471 et. seq. or 7 USC, 1921 et. seq. (if USDA/RD).

I hereby authorize Alaska Housing Finance Corporation (AHFC), Lender, to verify my past and present employment earnings records, bank accounts, stock holdings and any other asset balances that are needed to process my mortgage loan application. I further authorize AHFC to order a consumer credit report and verify other credit information, including past and present mortgage and landlord references. It is understood that a photocopy of this form will also serve as authorization.

The information Lender obtains is only to be used in the processing of my application for a mortgage loan.

Borrower

Date

Borrower

Date

Notice to Borrowers: This is notice to you as required by the Right to Financial Privacy Act of 1978 that HUD/FHA has a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to HUD/FHA without further notice or authorization but will not be disclosed or released by this institution to another Government Agency or Department without your consent except as required or permitted by law.

Waiver and Release of Liability of the Corporation (AHFC)

The undersigned Borrower hereby waives any and all claims against Alaska Housing Finance Corporation (AHFC), and releases AHFC from any and all liability involving a presently known or subsequently discovered structural condition of the residence purchased by the Borrower. However, if AHFC has provided the Borrower with a Limited Warranty Agreement, then the rights and obligations of the parties will be governed by such agreement. As used in this document, property is defined as the residence, outbuildings and any on-site utilities such as private electric systems, water systems and waste disposal systems.

Specifically, although without limitation of the foregoing, the Borrower understands and agrees that:

1. AHFC is not responsible in any way for the suitability of the residence for habitability or for any failure of the residence to meet the "Construction Standards" or "Energy Efficiency Standards" as described in 15 AAC 150.030, 15 AAC 150.040 and 15 AAC 155.010.
2. AHFC is not responsible in any way for the suitability or failure of the water and wastewater systems, if any, which serve the residence.
3. AHFC is not responsible for any act or omission of the inspecting engineer or any other person involved with the construction, inspection or certification of the property, including the residence outbuildings and associated water and wastewater systems.
4. The Borrower's duty to honor the obligation of the deed of trust is not terminated or varied in any way due to any decrease in value or habitability of the residence.

Additionally, the undersigned Borrower hereby permits AHFC to release property and appraisal information for statistical purposes.

This waiver and release operates to delineate the rights and obligations of the Borrower and AHFC only.

It is understood that "Borrower" refers to any one or more Borrowers executing the deed of trust and the Borrower's assigns and assignees.

Borrower

Date

Borrower

Date

Alaska USA Real Estate Loan Application

Loan purpose: Home purchase Home refinance Home improvement Recreational property Residential lot Home equity Home equity line of credit Other

Property legal description	Property street address
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Estimated value \$	Sales price (if applicable) \$	Requested loan amount \$
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Do you intend to occupy the property as your primary residence? Applicant: Yes No Co-applicant: Yes No

Applicant (please print) I intend to apply for joint credit

First name	Initial	Last name
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Marital status: Married Unmarried Separated

Mailing address	Time at address Yrs. Mo.
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City	State	ZIP code
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Physical Address (if different than mailing address)	E-mail address
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Home telephone	Work telephone	Cell phone
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Social Security Number	Date of birth
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Government issued ID (driver's license, military ID, state ID)

Type:	Number:	State/country:	Exp. date:
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Current employer	How long?	Self employed? <input type="checkbox"/> Yes <input type="checkbox"/> No
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Position	Gross monthly salary \$
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Name of nearest relative not living with you	Relationship	Address	Telephone number
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Co-applicant (please print) I intend to apply for joint credit

First name	Initial	Last name
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Marital status: Married Unmarried Separated

Mailing address	Time at address Yrs. Mo.
-----------------	--------------------------------

City	State	ZIP code
------	-------	----------

Physical address (if different than mailing address)	E-mail address
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Home telephone	Work telephone	Cell phone
----------------	----------------	------------

Social Security Number	Date of birth
------------------------	---------------

Government issued ID (driver's license, military ID, state ID)

Type:	Number:	State/country:	Exp. date:
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Current employer	How long?	Self employed? <input type="checkbox"/> Yes <input type="checkbox"/> No
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Position	Gross monthly salary \$
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Sources of additional income (rent, stock, retirement, etc.)

Income received from child support, alimony or maintenance is optional information furnished only if you desire this income to be considered in evaluating your application.

Type of other income	Monthly amount \$
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Type of other income	Monthly amount \$
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Assets (if more space is needed, please attach a list of additional assets)

Savings/checking accounts	Account number	Balance
		\$
		\$

Real estate owned	Type	Value
		\$
		\$

Liabilities (if more space is needed, please attach a list of additional liabilities)

Rent or mortgage payment	Lender name	Account number	Monthly amount \$	Balance \$
Other loans and credit cards			Total monthly amount \$	Total balance owed \$
Alimony/child support	To whom			Monthly amount \$

Certification and authorization

Certification: I/We certify that the information provided in this application is true and correct as of the date set forth opposite my/our signature(s) on this application and acknowledge my/our understanding that any intentional or negligent misrepresentation(s) of the information contained in this application may result in civil liability and/or criminal penalties, including, but not limited to, fine, imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et. seq. and liability for monetary damages to the Lender, its agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I/we have made on this application.

Authorization to verify information: I/We hereby authorize Alaska USA Federal Credit Union (Alaska USA) to obtain verification of my/our past and present employment earnings records, as well as bank accounts, stock holdings and any other asset balances that are needed to process my/our loan application. In addition, I/we authorize Alaska USA to order a consumer credit report and to verify other credit information, including past and present mortgage loan or rental payment history. It is my/our intention that a photocopy of this signed form will also serve as authorization to provide Alaska USA with the verifications requested. This information will only be used in the processing of my/our application for a loan.

Applicant's signature	Date	Co-applicant's signature	Date
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Information for government monitoring purposes (Complete only for home purchase, home refinance or home improvement loans)

The information in this section is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the Lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a Lender may neither discriminate on the basis of this information, nor on whether you choose to furnish it. However, if you choose not to furnish it, under federal regulations, this Lender is required to note race and sex on the basis of visual observation or surname. If you do not wish to furnish the information, please check the box below. (Lender must review the material to assure that the disclosures satisfy all requirements to which the Lender is subject under applicable state law for the particular type of loan applied for.)

Applicant	<input type="checkbox"/> I do not wish to furnish this information
Ethnicity	<input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
Race	<input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Black or African American <input type="checkbox"/> Asian <input type="checkbox"/> Native Hawaiian or Pacific Islander <input type="checkbox"/> White
Sex	<input type="checkbox"/> Female <input type="checkbox"/> Male

Co-applicant	<input type="checkbox"/> I do not wish to furnish this information
Ethnicity	<input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
Race	<input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Black or African American <input type="checkbox"/> Asian <input type="checkbox"/> Native Hawaiian or Pacific Islander <input type="checkbox"/> White
Sex	<input type="checkbox"/> Female <input type="checkbox"/> Male

AKUSA 02349 R 09/05



Fax or mail this application, or apply by phone

Fax: (907) 786-2762 or
(907) 786-2177

Mail: P.O. Box 196613
Anchorage, Alaska 99519-6613

Phone: 786-2800 or
(888) 425-9813 outside Anchorage

Online: www.alaskausa.org
(for HELOC only)

Real estate and home equity loans are available for property in Alaska and Washington.
For mortgages on property located elsewhere, call (800) 365-3278.