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Official Business

# Alaska State Legislature

## Senate

Pouch V  
State Capitol  
Juneau, Alaska 99811

Proposed Amendment: by Sen Mulcahy

CSHB 315 (Finance)

Page 1, line 19, after "fund" insert the following:

"for senior citizen housing facilities and for nonhousing facilities that are incidental or appurtenant to senior citizen housing".

Offered: 5/5/83  
Referred: Finance

Original sponsor: House Special Committee  
on State Loans

Funding Information

General Fund	\$249,989,900
Other Funds	850,000
	<u>\$250,839,900</u>

BY THE HOUSE SPECIAL  
COMMITTEE ON STATE LOANS

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 315 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations for certain  
7 state loan and grant programs; and providing for an  
8 effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. The sum of \$19,500,000 is appropriated from the general  
11 fund to the Alaska Housing Finance Corporation for the special mortgage  
12 loan purchase program (AS 18.56.098).

13 \* Sec. 2. The sum of \$50,000,000 is appropriated from the general fund  
14 to the Alaska Housing Finance Corporation for the home ownership assistance  
15 program (AS 18.56.091).

16 \* Sec. 3. The sum of \$19,530,000 is appropriated from the general fund  
17 to the division of housing assistance in the Department of Community and  
18 Regional Affairs for grants made from the senior citizens housing develop-  
19 ment fund. \* →

20 \* Sec. 4. The sum of \$45,000,000 is appropriated from the general fund  
21 to the housing assistance loan fund in the Department of Community and  
22 Regional Affairs for non-conforming, rural, and non-owner occupied housing  
23 loans (AS 44.47.360 - 44.47.560).

24 \* Sec. 5. The sum of \$15,000,000 is appropriated from the general fund  
25 to the housing assistance loan fund in the Department of Community and  
26 Regional Affairs for nonconforming and rural housing loans that are sub-  
27 sidized from the home ownership assistance fund.

28 \* Sec. 6. The sum of \$650,000 is appropriated from the general fund to  
29 the home ownership assistance fund in the Department of Community and

**Sec. 44.47.583. When boundary change takes effect.**

Stated in State, Dep't of Nat'l Resources  
v. City of Haines, Sup. Ct. Op. No. 2342  
(File No. 5067), 627 P.2d 1047 (1981).

**Article 11. Senior Citizens Housing Development Fund.****Section**

610. Declaration of purpose

620. Senior citizens housing development

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Effective dates. — Section 78, ch. 113, June 25, 1982, in accordance with AS  
SLA 1982, makes this article effective 01.10.070(c).

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**Sec. 44.47.610. Declaration of purpose.** There exists in the state a serious shortage of decent, safe and sanitary residential housing available at low or moderate prices or rentals to persons 60 years of age or older. There also exists in the state organizations whose purposes are to provide the kinds of housing needed to alleviate this shortage. Development work to provide such housing involves substantial expense that is often beyond the resources of the organizations. (§ 51 ch 113 SLA 1982)

**Sec. 44.47.620. Senior citizens housing development.** (a) There is created in the Department of Community and Regional Affairs a senior citizens housing development fund. Subject to direct appropriation or through proceeds of a bond issue the department shall make grants to municipalities or public or private nonprofit corporations designated as tax exempt under sec. 501(c)(3) and (4) of the Internal Revenue Code of 1954 for the purpose of developing senior citizen housing. A grant from the proceeds of a bond issue may be made only to municipalities.

(b) Application for a grant under (a) of this section shall be in the form prescribed by the department. The application shall demonstrate the need for senior citizen housing in the area to be served, the feasibility of the proposed project, and an adequate management plan that shall demonstrate the ability of the eligible recipient to sustain the proposed project.

(c) All projects under this section shall be in accordance with facility procurement policies developed under AS 35.10.160 — 35.10.200 and are public facilities under those sections.

(d) The department shall adopt regulations to carry out the purposes of this section. The provisions of the Administrative Procedure Act (AS 44.62) apply to regulations adopted under this section.

§ 44.47.620

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*Appurtenant*

§ 44.50.070

STATE GOVERNMENT

§ 44.53.020

(e) In this section "senior citizen housing" means a specific work or improvement undertaken primarily to provide dwelling accommodations for persons 60 years of age or older, including but not limited to conventional housing, housing for the frail elderly, group homes, congregate housing, and other housing that meets special needs of the elderly; senior citizen housing includes the acquisition, construction, or rehabilitation of land, buildings, improvements, and other nonhousing facilities that are incidental or appurtenant to the housing. (§ 51 ch 113 SLA 1982) *Such facilities must relate to existing senior citizen projects, whether or not such projects have been originally constructed through state financing.*

### Part 3. Administrative Officers.

#### Chapter

53. Foreign Commissioners for Acknowledgments (Repealed)

#### Chapter 50. Notaries Public.

Sec. 44.50.070. Presence and identification required.

Applied in Anchorage Sand & Gravel  
Co. v. Wooldridge, Sup. Ct. Op. No. 2213  
(File No. 4765), 6/19/2d 10/14 (1980).

#### Chapter 53. Foreign Commissioners for Acknowledgments.

##### Section

10 — 20. (Repealed)

Secs. 44.53.010 — 44.53.020. Foreign commissioners for acknowledgments.

Repealed by § 6 ch 37 SLA 1981.

Cross references. — For Uniform Recognition of Acknowledgments Act, see AS 09.63.050 — 09.63.100.

Editor's notes. — The repealed chapter derived from §§ 10-6-1, 10-6-2, ACIA 1949.

### Part 4. Administrative Procedure.

#### Chapter

62. Administrative Procedure Act (§§ 44.62.130, 44.62.190, 44.62.240, 44.62.330)

**PLEASE NOTE: THE PRECEDING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.**

HOUSE FINANCE BUDGET HEARING  
SCHEDULE OF INFORMATION PRESENTED

\$7 Million Capital Budget Request - Special Mortgage Loan Purchase Program

Introductory Presentation	Exhibit A
Summary of Mortgage Demand and Proposed Bond Financings	Exhibit B
Reasonableness Test for Estimated FY 84 Mortgage Loan Demand	Exhibit C
Housing Units Authorized by Building Permits: Anchorage	Exhibit D
Summary of First Mortgage Applications by Program	Exhibit E
Summary of State Financial Support	Exhibit F
Program Brochures	Exhibit G

\$50 Million Capital Budget Request - Home Ownership Fund/Mobile Home Loan Program

Introductory Presentation	Exhibit H
Program Brochures:	
Home Ownership Assistance Program	Exhibit I
Mobile Home Loan Program	Exhibit J
Summary of Applications - Mobile Home Loan Program	Exhibit K
Loan Summary:	
Home Ownership Assistance Program	Exhibit L
Mobile Home Loan Program	Exhibit M
Summary of Projected Demand and Proposed Sources of Funding Mobile Home Loan Program	Exhibit N

## ALASKA HOUSING FINANCE CORPORATION

FY 84 Capital Budget Request  
Special Mortgage Loan Purchase Loan Program

The Corporation's original FY 84 capital budget request for the Special Mortgage Loan Purchase Program prepared in September 1982, was for \$200 million. The request has been revised several times as the Corporation nears the end of the current fiscal year and can better estimate the amount of subsidy funds available to be carried over into FY 84.

As finally prepared and presented in Exhibit B, the capital budget request stands at \$7 million. This amount, combined with an estimated \$249 million in carry forward funds and \$8 million in FY 84 subsidy funds earnings will enable the Corporation to meet in excess of \$1.3 billion in total mortgage demand.

There are several factors which have resulted in the substantial funds available for carry forward into the next fiscal year including:

- 1) Total mortgage demand for FY 83 will be approximately \$200 million below the level reflected in the FY 83 budget.
- 2) The FY 83 budget assumed a 5.75% level of subsidy for the taxable program. That level has gradually been reduced down to a current 2.11 percent.
- 3) State Veterans G.O. funded activity was estimated at \$82 million but should total close to \$150 million for FY 83 resulting in a substantial reduction in required subsidy.

ALASKA HOUSING FINANCE CORPORATION  
SPECIAL MORTGAGE LOAN PURCHASE PROGRAM  
SUMMARY OF MORTGAGE DEMAND AND PROPOSED BOND FINANCINGS  
Fiscal Year 1984

(In Millions)

	Estimated Carry-Over From FY '83	Program Repayments And Earnings	Bond Proceeds	Sales Costs	Subsidy Subsidy	Subsidy Allocation	Estimated Carry-Over To FY '85	Estimated FY '84 Mortgage Demand
Taxable First Mortgage Program								
State Assisted Mortgage Bonds -								
Single-Family and Duplex	\$ 80	\$ 40	\$ 550	\$ (6)	\$ 183	\$ 54	\$ 50	\$ 851
Triplex and Four-plex	5	20					5	20
First Mortgage Veterans' Program -								
State Guaranteed Veterans' Bonds	60		100	(5)	22		10	267
Tax-Exempt First Mortgage Program -								
Home Mortgage Bonds	30		200	(5)	32	(27)	50	180
Taxable Second Mortgage Program -								
Second Mortgage Bonds	12							12
Reserve to Complete Open Series	—	—	—	—	27	(27)	—	—
<b>TOTAL</b>	<u>\$ 187</u>	<u>\$ 60</u>	<u>\$ 950</u>	<u>\$ (16)</u>	<u>\$ 264</u>	<u>\$ -</u>	<u>\$ 115</u>	<u>\$ 1,330</u>

April 28, 1983

ALASKA HOUSING FINANCE CORPORATION

SCHEDULE OF SUBSIDY FUNDS  
(in Millions)

Assumes General Obligation Fund Asset  
Transfer to the SAM Fund

Second Half of FY 83

Subsidy funds available 1/1/83		\$ 19.611
Reverted assets to be used for subsidy		
Cash (102.516 plus 11.023)	\$ 113.540	
(1) Mortgages (136.762 plus 50.062)	<u>186.824</u>	<u>300.364</u>
Total		319.975
Subsidy required January 1 through June 30, 1983		<u>70.776</u>
Subsidy funds available for FY 84		<u>\$249.199</u>

Fiscal Year 1984

Estimated Subsidy		\$264.000
Estimated Earnings on SAM Fund (Avg. Bal. of 100m at 8%)		(8.000)
Subsidy Funds Carried Forward from FY 83		<u>(249.199)</u>
Estimated FY 84 Subsidy Requirement		<u>\$ 6.801</u>

	<u>NON-DVA</u>	<u>DVA (GOF)</u>
(1) Mortgages Reverted	\$172.512	\$ 77.562
Utilized to fill outstanding non-ABE bond issues	(17.000)*	
Discount on \$75 million mortgage to an approximate yield of 13.50%	(18.750)	
Discount on \$70 million (DVA) mortgage to an approximate yield of 13.5%		(27.500)
	<u>\$136.762</u>	<u>\$ 50.062</u>

\*Series B & C \$18.5  
Series D & E 6.5  
Series 81- 1 (8.0)  
\$17.0

Note: Mortgage loans remaining in the SAM Fund at June 30, 1983 will consist only of those originally appropriated to the Corporation.

ALASKA HOUSING FINANCE CORPORATION  
SPECIAL MORTGAGE LOAN PURCHASE PROGRAM

SUMMARY OF MORTGAGE DEMAND AND PROPOSED BOND FINANCINGS  
Fiscal Year 1984  
<Attachment>

Assumptions

- Continued availability of credit facilities enabling the Corporation to issue intermediate term securities
- Level of subsidy for taxable first mortgage program at 3.00 percent. No modification to the ratchet and mortgage rates totally dependent upon the Corporation's cost of funds.
- Tax exempt interest rates not substantially higher than current levels.
- Federal tax exempt mortgage bond authorization terminating December 1983 (other than authorization for qualified veterans bonds which continues indefinitely). The \$200 million in bond sales reflected in the Schedule would be the last issue sold pursuant to the Mortgage Subsidy Bond Tax Act of 1980.
- Mortgage demand maintained at current levels with seasonal adjustments. Allocation between Taxable First Mortgage Program and State Guaranteed Veterans' Program based upon a reduction in Qualifying Veterans activity to the previous levels experienced under the definition of "State Veteran."
- Legislation received in 1983 authorizing a special general state election approving additional State Guaranteed Bonds for the Veterans Mortgage Program.
- Mortgage loans held in the SAM Fund and reverting from a previous pledge sold to yield approximately 13.50%. If possible, a separate mortgage backed bond issue will be utilized as opposed to a whole loan sale.
- Home Improvement Loan Bonds 1982 Series A called on June 1, 1983 releasing approximately \$7 million back to the Special Mortgage Loan Purchase Program.

April 28, 1983

State Assisted Mortgage Bonds Series G funds "warehoused" during FY 84 and available for mortgage purchases only if the Corporation's cost of funds increase to a level which allows adherence to the legislatively established rate for the issue.

NOTE: Activity in the Mobile Home Loan Purchase Program is not reflected in the schedule as funding is from appropriations to the Home Ownership Fund with the earnings on the loans used to meet obligations of the Corporation under assistance contracts entered into under the Home Ownership Assistance Program. The Corporation's capital budget request for the Home Ownership Fund for FY 84 is \$50 million which will be used to purchase mobile home loans.

April 28, 1983

ALASKA HOUSING FINANCE CORPORATION

SCHEDULE OF PROPOSED FINANCINGS  
(in Millions)

	<u>Bond Issue</u>	<u>Required Subsidy</u>	<u>Mortgage Loan Pool</u>
<u>January through June 30, 1983</u>			
Taxable First Mortgage Bonds			
SAM Series I	1/83	\$ 50,000	\$ 15,175
SAM Series J	3/83	50,000	14,410
SAM Series K	5/83	75,000	21,500
Sam Series L	6/83	75,000	21,500
	<u>250,000</u>	<u>72,585</u>	<u>310,500</u>
State Guaranteed Veterans Bonds			
SGB 1983 First Series	1/83	50,000	1,681
SGB 1983 Second Series	5/83	125,000	3,750
SGB 1983 Third Series	6/83	75,000	2,250
	<u>250,000</u>	<u>7,681</u>	<u>250,100</u>
Other Items Effecting Subsidy:			
Subsidy Reversion upon			
HIL Call	6/83	(7,000)	
Interest Earned on SAM Fund		(8,000)	
Reserve for ABE Bond Issues Completed		12,500	12,500
Cash from SAM Mortgage Loan Fund for Series B & C		(7,000)	
	<u>-</u>	<u>(9,500)</u>	<u>12,500</u>
TOTALS 1/1/83 to 6/30/83	<u>\$500,000</u>	<u>\$ 70,766</u>	<u>\$ 573,100</u>
 <u>July 1, 1983 through June 30, 1984</u>			
Taxable First Mortgage Bonds	\$550,000	\$183,000	\$ 727,000
Tax-Exempt First Mortgage Bonds	200,000	32,000	227,000
State Guaranteed Veterans Bonds	200,000	22,000	217,000
Reserve to Complete Open Series		27,000	27,000
TOTALS 7/1/83 to 6/30/84	<u>\$950,000</u>	<u>264,000</u>	<u>\$1,198,000</u>

## ALASKA HOUSING FINANCE CORPORATION

Reasonableness Test for Estimated FY '84  
Mortgage Loan Demand

	<u>Non-Seasonally Adjusted</u>	<u>Seasonally Adjusted</u>
<u>All First Mortgages</u>		
Four weeks from 3/07, to 4/01/83	\$ 105,022,050	\$ 105,022,050
Acceptance Rate	<u>90%</u>	<u>90%</u>
	94,519,845	94,519,845
Seasonal Adjustment		-84%*
	<u>94,519,845</u>	<u>112,523,625</u>
	+ 4	+ 4
	x 52	x 52
Annualized Previous Four Week Activity	<u>\$1,228,757,985</u>	<u>\$1,462,807,125</u>

\* March 1982 activity was 78 percent of the average monthly activity for FY '82.

Factors Which May Affect FY 84' Mortgage Loan Demand:

May be Even Higher as a Result of:

- 1) Sustained AHFC Mortgage Rates at their current relatively low levels.
- 2) Fears of future rate increases.
- 3) Even greater demand in the State Veterans Program as individuals take advantage of the building season and construct their homes and access the very attractive rates.

Note: Building permits for the Municipality of Anchorage through March for Calendar Year 1983 were 2,315 compared to 1,064 for the same period in 1982.

May be Lower as a Result of:

- 1) Increasing rental vacancy rates.
- 2) Saturation of the low-end market.
- 3) Overbuilt situation resulting in a buyers market with consumer expectations that home prices will not be rising in the near future so "why buy now."
- 4) Lengthened transaction times in a slower market.
- 5) A slowdown in the employment growth.

## EXHIBIT D

ANCHORAGE AREA  
OFFICEHOUSING UNITS AUTHORIZED BY BUILDING PERMITS  
LOCALITY: ANCHORAGE

20 APRIL 1983

YEAR	SINGLE FAMILY	2-TO-4 FAMILY	5 OR MORE FAMILY	MOBILE HOMES	TOTAL UNITS	CONVERSIONS + DEMOLITIONS
1970	1,400	(- - - - 1,600 - - - -)		NA	3,000	-59
1971	1,385	(- - - - 1,665 - - - -)		NA	3,050	-39
1972	1,415	(- - - - 1,506 - - - -)		NA	2,951	-63
1973	1,402	(- - - - 684 - - - -)		NA	2,086	-54
1974	1,798	(- - - - 1,024 - - - -)		NA	2,822	-41
1975	1,827	(- - - - 2,183 - - - -)		NA	4,010	-12
1976	1,269	(- - - - 2,216 - - - -)		453	3,938	-46
1977	1,955	1,070	1,432	420	4,877	-22
1978	1,492	751	675	371	3,289	-12
1979	588	270	369	232	1,469	10
1980	897	186	115	190	1,397	9
1981	2,100	483	522	315	3,432	12
1982	<u>2,083</u>	<u>992</u>	<u>2,206</u>	<u>392</u>	<u>6,689</u>	<u>16</u>
1ST 3 MTH 1982 TOTAL	347	141	521	55	1,064	0
1ST 3 MTH 1983						
JAN	60	64	48	16	189	1
FEB	192	101	454	26	773	0
MAR	<u>375</u>	<u>346</u>	<u>599</u>	<u>23</u>	<u>1,353</u>	<u>10</u>
1ST 3 MTH 1983 TOTAL	627	511	1,101	65	2,315	11

ALASKA HOUSING FINANCE CORPORATION  
SUMMARY OF ALL APPLICATIONS - MONTHLY  
ALL CONVENTIONAL AND FHA/VA FIRST MORTGAGES  
(EXCLUDING RURAL PROGRAMS)

		Received		Approved		%	Denied		%
		No.	AMT.	No.	AMT.		No.	AMT.	
January	1982	594	51,059,000	446	38,791,500	75.08	148	12,267,500	24.92
February	1982	619	53,993,250	411	36,773,300	66.40	208	17,219,950	33.60
March	1982	700	62,136,400	476	43,885,950	68.00	224	18,250,450	32.00
April	1982	814	71,741,500	585	52,651,550	71.87	229	19,089,950	28.13
May	1982	924	82,224,400	686	62,095,600	24.24	238	20,128,800	25.76
June	1982	885	80,012,300	680	62,354,600	75.84	205	17,657,700	23.16
July	1982	971	86,966,850	743	66,860,650	76.21	228	20,106,200	23.48
August	1982	1,026	92,246,700	843	77,626,050	82.16	182	16,514,250	17.74
September	1982	957	85,572,150	782	70,300,150	81.71	174	15,112,000	18.18
October	1982	976	87,644,500	768	68,641,250	78.59	208	19,003,250	21.31
November	1982	928	83,319,850	770	69,376,600	82.97	158	13,943,250	17.03
December	1982	1,048	98,282,900	856	81,208,750	81.68	192	17,074,150	18.32
January	1983	905	85,809,300	740	70,602,750	81.77	163	15,056,550	18.01
February	1983	886	85,531,450	734	71,186,550	82.84	152	14,344,900	17.16
March	1983	1,169	116,429,350	1,015	102,012,750	86.83	137	12,675,500	11.72
April	1983	565	55,298,750	274	28,031,000	48.50	35	3,234,200	6.19

Month Appl. Rec.	Pending			In Process		
	No.	AMT.	%	No.	AMT.	%
January	2	140,000	.22		-0-	
March	13	1,304,800	1.11	4	436,300	.34
April	50	5,116,350	8.85	206	18,917,200	36.46

ALASKA HOUSING FINANCE CORPORATION  
SUMMARY OF APPLICATIONS - MONTHLY  
FIRST MORTGAGES UNDER THE MORTGAGE BOND SUBSIDY TAX ACT LOAN PROGRAM

		Received		Approved		%	Denied		%
		No.	AMT.	No.	AMT.		No.	AMT.	
January	1982	144	10,779,050	103	7,644,300	71.53	41	3,134,750	28.47
February	1982	173	13,176,800	75	5,667,100	43.35	98	7,509,700	56.65
March	1982	289	22,005,400	151	11,614,500	52.25	138	10,390,900	47.75
April	1982	284	21,424,450	172	13,011,300	60.56	112	8,413,150	39.44
May	1982	349	27,005,050	229	17,408,750	65.56	120	9,596,750	34.38
June	1982	293	23,398,850	210	16,839,400	71.67	83	6,559,450	28.33
July	1982	382	29,809,300	292	22,798,500	76.44	90	7,010,800	23.56
August	1982	406	32,832,600	337	27,243,200	83.00	69	5,589,400	17.00
September	1982	445	35,525,500	369	29,683,050	82.92	76	5,842,450	17.08
October	1982	491	39,236,550	387	31,070,150	78.82	104	8,166,400	21.18
November	1982	506	40,727,350	427	34,279,900	84.39	79	6,368,100	15.61
December	1982	458	37,349,400	351	28,871,200	76.64	107	8,478,200	23.36
January	1983	319	25,998,350	242	19,888,350	75.86	77	6,110,000	24.14
February	1983	248	19,166,600	203	15,759,150	81.85	45	3,407,450	18.15
March	1983	181	13,329,800	143	10,539,900	79.01	37	2,715,800	20.44
April	1983	115	8,548,550	35	2,609,550	30.43	6	374,500	5.22

Month Appl. Rec.	Pending			In Process		
	No.	AMT.	%	No.	AMT.	%
March	1	74,100	.55	-0-		
April	8	618,200	6.96	66	4,946,300	57.39

ALASKA HOUSING FINANCE CORPORATION  
NON-QUALIFIED FIRST MORTGAGES UNDER THE STATE  
ASSISTED MORTGAGE LOAN PROGRAM

	Received		Approved		%	Denied		%
	No.	AMT.	No.	AMT.		No.	AMT.	
January 1982	450	40,279,950	343	31,147,200	76.22	107	9,132,750	23.78
February 1982	446	40,816,450	336	31,106,200	75.34	110	9,710,250	24.66
March 1982	411	40,131,000	325	32,271,450	79.08	86	7,859,550	20.92
April 1982	530	50,317,050	413	39,640,250	77.92	117	10,676,800	22.08
May 1982	575	55,219,350	457	44,687,300	79.48	118	10,532,050	20.52
June 1982	592	56,613,450	470	45,515,200	79.39	122	11,098,250	20.61
July 1982	589	57,157,550	451	44,062,150	76.57	138	13,095,400	23.43
August 1982	620	61,414,100	507	50,489,250	81.77	113	10,924,850	18.23
September 1982	512	50,046,650	414	40,777,100	80.86	98	9,269,550	19.14
October 1982	485	48,417,950	381	37,581,100	76.56	104	10,836,850	21.44
November 1982	422	42,590,800	345	34,871,750	81.75	77	7,719,050	18.25
December 1982	590	60,933,500	505	52,337,550	85.59	85	8,595,950	14.41
January 1983	583	59,433,100	495	50,336,550	84.91	86	8,956,550	14.75
February 1983	420	42,533,150	335	34,039,650	79.76	85	8,493,500	20.24
March 1983	631	63,280,000	548	55,010,950	86.85	73	7,247,400	11.57
April 1983	354	36,067,100	164	17,019,800	46.33	20	1,860,750	5.65

Month Appl. Rec.	Pending			In Process		
	No.	AMT.	%	No.	AMT.	%
January	2	140,000	.34	-0-		
March	7	695,650	1.11	3	326,000	4.75
April	32	3,407,650	9.04	138	13,778,900	38.98

ALASKA HOUSING FINANCE CORPORATION  
SUMMARY OF APPLICATIONS - MONTHLY  
VA GENERAL OBLIGATION

		Received		Approved		%	Denied		%
		No.	AMT.	No.	AMT.		No.	AMT.	
January	1983	3	377,850	3	377,850	100.00	-0-		
February	1983	218	23,831,700	196	21,387,750	89.91	22	2,443,950	10.09
March	1983	357	39,819,550	324	36,461,900	90.76	27	2,712,300	7.56
April	1983	96	10,683,100	75	8,401,650	78.12	9	998,950	9.38

Month Appl. Rec.	Pending			In Process		
	No.	AMT.	%	No.	AMT.	%
March	5	535,050	1.40	1	110,300	.28
April	10	1,090,500	10.42	2	192,000	2.08

## ALASKA HOUSING FINANCE CORPORATION

## SUMMARY OF STATE FINANCIAL SUPPORT

Special Mortgage Loan Purchase Program

FY 81		
	Appropriation	
	Mortgage Loans	\$236,000,000
	Cash	238,000,000
FY 82		222,000,000
FY 83		105,000,000

Mobile Home Loan Purchase Program

See Notes 1 and 2 for additional funds appropriated to purchase loans under this program.

FY 80		
	Loans Through Department of Revenue	(\$10,000,000 at 9.5%)
FY 81	Appropriation	12,500,000

Rural Non-Owner Occupied Mortgage Purchase Program

See Note 1 for additional funds appropriated to purchase loans under this program.

FY 79		
	Loans Through Department of Revenue	(\$2,600,000 at 8.5%)
FY 81	Appropriation	4,500,000

Rural Mortgage Loan Purchase Program

See Note 1 for additional funds appropriated to purchase loans under this program.

FY 79		
	Appropriation - Training Costs	100,000
	Hazard Insurance Fund	250,000
	Title Insurance Fund	250,000
	Mortgage Insurance Account	500,000
FY 80		
	Bond Sale to State of Alaska	(\$5,600,000 at 7 1/2%)
FY 81		
	Bond Sale to State of Alaska	(\$4,400,000 at 7 1/2%)
	Appropriations	
	Mortgage Purchases	6,500,000
	Title Insurance Fund	130,000
	Mortgage Insurance Fund	325,000

ALASKA HOUSING FINANCE CORPORATION

SUMMARY OF STATE FINANCIAL SUPPORT  
(Continued)

Home Ownership Assistance Program ("HOF" Fund)

FY 81		
	Appropriation	
	Mortgage Loans	\$50,000,000
	Cash	2,500,000
FY 82		43,000,000 (1)
FY 83		45,000,000 (2)

State Mortgage Insurance Fund

Prior to FY 80	7,950,000
FY 80	3,000,000*
FY 81	12,500,000 (3)

* Total Appropriation	\$ 6,000,000
Less Amount Unavailable From Veterans Revolving Loan Fund	2,000,000
Less Amount For Mobile Home Insurance Funds Only	<u>1,000,000</u>
	<u>\$ 3,000,000</u>

Other State Loans

Loan For Multi-Family Project	(\$4,420,000 at 3.47%)
Loan For Rural Mortgages	(\$5,250,000 at 6.00%)
Loans To Fund Capital Reserve Requirement For Insured Mortgage Bond Program	(\$12,800,000) (4)

(1) Home Ownership Assistance Program appropriation to be utilized to purchase mortgages as follows:

Mobile Home Loans	\$18,000,000
Rural	20,000,000
Rural Non-Owner Occupied	5,000,000

(2) To be utilized to purchase Mobile Home loans.

(3) An additional \$5,860,000 remains available from the FY 81 appropriation.

(4) Interest rates on loans are equal to the earnings of the investments made with the loans.

# Special Mortgage Loan Purchase Program Conventional Loan



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*The largest and most commonly utilized program  
is AHFC's Conventional or Regular Program.*

## Features

### Maximum Loan Amount

Single-Family  
Residence . . . . . \$160,500  
Two-Family Residence . \$205,200

Minimum Down Payment . . . . . 5%

### Eligible Property

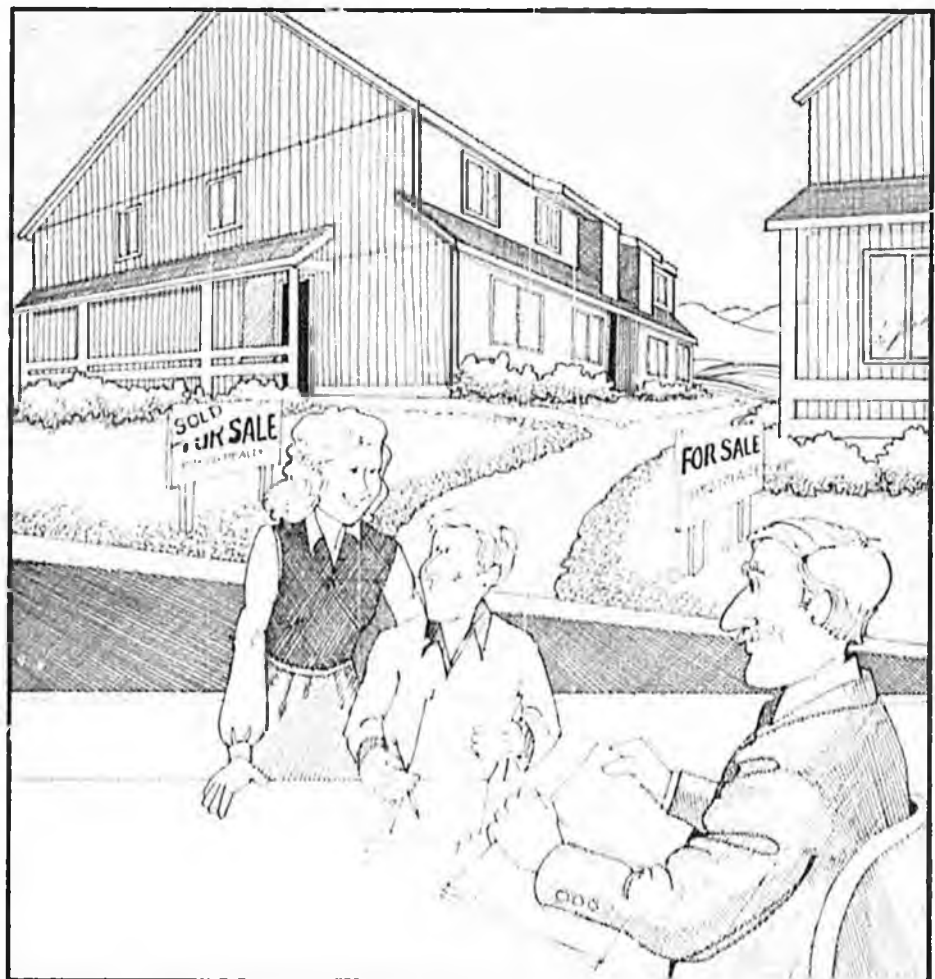
Owner occupied single-family or duplex dwelling, including owner-occupied condominium units or units in a planned unit development (PUD).

VA guaranteed loans are allowed; however, down payments and maximum loan amounts will vary. The current maximum loan amount is \$135,000. Check with your lender for details.

## Type of Loan

Alaska Housing Finance Corporation utilizes a mortgage loan referred to as the Alaska Building Equity (ABE) Mortgage. There are many positive features to the ABE mortgage. The interest rate remains fixed for the entire life of the mortgage. Although there are moderate increases to the mortgage payment during the years four through nine, the borrower knows exactly what the monthly payments will be for the entire life of the mortgage. Since the interest rate remains fixed, all increases are applied to the principal balance, thus increasing the borrower's equity and repaying the loan within approximately sixteen years.

A detailed description of the ABE mortgage is available in AHFC's pamphlet entitled "Buying A Home In The Future?"



## Interest Rates

Interest rates charged by AHFC have been established by the Legislature and these rates will fluctuate according to the cost AHFC pays to obtain its funds. By law, AHFC is required to provide below market or subsidized rates to eligible borrowers on the first \$90,000 of the mortgage loan. For any portion above \$90,000, the borrower

is required to pay the cost AHFC pays to obtain its funds. Since AHFC interest rates are directly tied to the cost the Corporation must pay to obtain the funds, interest rates are SUBJECT TO CHANGE WITHOUT PRIOR NOTICE. Consult your lender for the current AHFC interest rate for this program.

# Veterans Mortgage Program

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**To apply under this program, federal regulations require that individuals must be veterans as defined by the United States code**

## Features

### Maximum Loan Amount

Single-Family Residence	\$160,500
Duplex	205,200
Triplex	247,650
Four-Plex	307,950

### Minimum Down Payment

Single-Family and Duplexes Residences	5%
Triplexes and Four-Plexes Residences	10%

### Eligible Properties

Owner-occupied single-family dwellings (including condominiums and units in a PUD) and multi-family dwellings up to and including four-plexes. If the residence is a multi-family dwelling, then all units must have been occupied as such for at least 5 years. For example, if the dwelling is a four-plex, it must have been occupied as a four-plex for 5 years.

VA guaranteed loans are allowed. However, down payments and maximum loan amounts will vary. Check with your lender for details.

### Type of Loan

The ABE mortgage structure applies to the Veterans Program. Under this type of mortgage, the interest rate is fixed, however, there are moderate increases to the mortgage payment in years four through nine. These increases are applied to the principal balance on the loan. Therefore, the loan is repaid in approximately 18 years. A detailed description of the ABE mortgage is available in AHFC's pamphlet entitled "Buying a Home in the Future?"

### Other Criteria

In November of 1982, the voters passed a constitutional amendment and a



bond proposition that allowed AHFC to issue tax-exempt bonds for the purpose of financing homes for qualified veterans. Since this program is regulated by the U.S. Department of Treasury, IRS, the borrower(s) must meet certain criteria to qualify.

1. The borrower(s) must be a qualified veteran. Temporary regulations of the IRS have implemented the meaning of "veteran" as defined in 38 U.S.C. 101(2). In order to apply under this program, the borrower(s) must submit documentation that they are a veteran under the federal definition.

A Certificate of Eligibility or a letter from the Federal Veterans Administration will be accepted as evidence of meeting this requirement. In some instances, it may take thirty (30) to sixty (60) days to obtain the Certificate of Eligibility. Therefore, if you are planning on applying under this program, you may want to start the process beforehand, as AHFC will not process any applications without the appropriate documentation.

2. Not more than 15% of the dwelling may be used for business or trade

(other than for renting one of the units, if the residence is a multi-family dwelling) and no portion of the property may be specifically designed for commercial use.

3. The borrower must occupy the residence or one unit of the residence as their primary dwelling. In addition, the loan must be paid in full, if you cease to occupy the residence or sell or transfer your ownership interest in the property.

4. Refinancing is prohibited under the Program. The proceeds of the loan must be used for new financing.

5. Excess land may not be financed. The real estate upon which the residence is located must be reasonably required to maintain the basic livability of the residence.

### Interest Rates

Mortgage interest rates are based on the interest rate for AHFC bonds plus the Corporation's operating costs and will vary from time to time. INTEREST RATES ARE SUBJECT TO CHANGE WITHOUT PRIOR NOTICE. Consult your lender for the current AHFC rate on the Veterans Program.

# Mortgage Subsidy Tax Act Tax-Exempt Program



**Loans offered under the Tax-Exempt Program are subject to regulations and guidelines that have been developed by the U.S. Department of Treasury.**

## Features

### Acquisition Cost Limits\*

Single-Family - Existing Dwelling	\$104,986
Single-Family - New Construction	\$128,143
Duplex - Existing Dwelling (5 years)	\$122,829

Minimum Down Payment . . . . . 5%

### Eligible Property

Owner-occupied single family dwellings, including condominiums and units in a PUD, and duplexes.

VA guaranteed loans are allowed. However, down payments and maximum loan amounts will vary. Check with your lender for details. In addition, a borrower may combine this program with the Pledged Account Mortgage Program (PAM) or the Homeownership Assistance Program (HOF). IF THE TAX-EXEMPT PROGRAM IS COMBINED WITH EITHER THE PAM OR THE HOF, THE REQUIREMENTS OF BOTH PROGRAMS MUST BE MET.

\*Federal regulations require that the purchase price not exceed 110% of the average area purchase price. AHFC conducts studies on a periodic basis to determine the average area purchase prices for Alaska; therefore, the acquisition cost limit is subject to change.

### Type of Loan

The ABC mortgage payment structure applies to the Tax-Exempt Program. Refer to AHFC's pamphlet entitled "Buying A Home In The Future?" for a detailed description of the ABE mortgage.



## Eligibility Criteria

Since this is a federally regulated program, there are several criteria a borrower must meet in order to qualify:

1. Ninety percent (90%) of the funds under this program will be allocated to borrowers who *have not* owned a home or had an ownership interest in a home, which was used as the borrower's primary residence, for the three years prior to the date of application. Ownership in rental property (as long as the borrower did not reside in the property) or vacation property is permitted.

The remaining 10% of the funds under this program will be allocated to HOF applicants who have previously owned or had an ownership interest in a home within the three years prior to the date of application.

2. Not more than 15% of the dwelling may be used for business or trade and no portion of the property may be specifically designed for commercial use.

3. All improvements, additions or alterations that the borrower(s) plans to make to the residence at the time of ownership, or within one year after the loan closes, must be reported. The cost of those improvements, when added to the original cost of the dwelling, may not exceed the maximum acquisition cost limits above.

4. All borrowers will be required to submit copies of their original tax returns which cover the past three years prior to date of application.

## Interest Rates

Mortgage interest rates are based on the interest rate for AHFC bonds plus the Corporation's operating costs and will vary from time to time. INTEREST RATES ARE SUBJECT TO CHANGE WITHOUT PRIOR NOTICE. As of the date of printing of this pamphlet, the interest rate on the first \$90,000 is 10% (9% for eligible state veterans). Consult your lender for the current AHFC rate on the Tax-Exempt Program.

# Triplex/Four-plex Mortgage Loan Purchase Program



*In 1982, the State enacted legislation that gave AHFC the authority to implement a loan purchase program for triplexes and four-plexes.*

## Features

### Maximum Loan Amount

Triplex . . . . .	\$247,650
Four-plex . . . . .	\$307,950

Minimum Down Payment . . . . . 10%

### Occupancy

The owner must occupy one unit of the mortgaged premises as his/her primary residence.

### Type of Loan

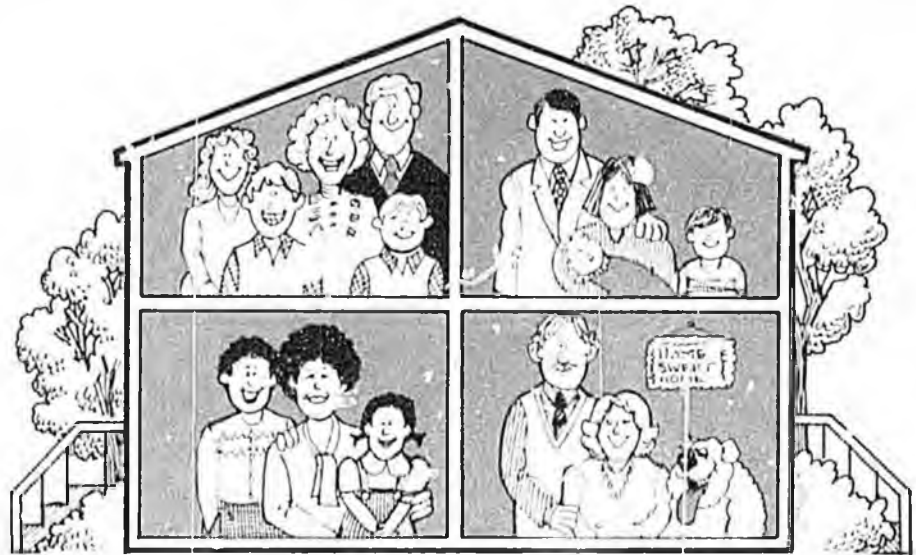
The ABE Mortgage payment structure applies to the triplex and four-plex program. Refer to the AHFC's pamphlet entitled "Buying A Home In The Future?" for further details.

### Qualifying for a Triplex - Four-Plex Mortgage Loan

When determining the individual's ability to pay the mortgage debt, AHFC, as a guideline, uses ratios of 28/36. The total monthly payment generally should not exceed the net monthly operating income plus twenty-eight percent (28%) of the borrower's gross stable monthly income. In addition, the overall debt obligation, which is the total monthly payment plus all other obligations of the borrower should not exceed the net monthly operating income plus thirty-six percent (36%) of the borrower's gross stable monthly income. The example illustrates how the ratios are utilized in determining if the borrower qualifies for the mortgage loan.

### Interest Rates

Mortgage interest rates are based on the cost the Corporation must pay to obtain its funds and will vary at times. Interest rates are SUBJECT TO CHANGE WITHOUT PRIOR NOTICE. Consult your lender for the current AHFC interest rate for this program.



### Loan Characteristics

Total mortgage payment . . . . .	\$1,800	Monthly net operating income . . . . .	\$1,100
Borrower's monthly income . . . . .	\$3,200	(Rental income less operating expenses)	
Borrower's other obligations . . . . .	\$ 400		

### Borrower's Qualifications

1. 28% of borrower's stable monthly income $\$3,200 \times 28\%$	=	\$ 896
2. Monthly net operating income	=	\$1,100
3. Total lines 1 and 2	=	\$1,996
4. Proposed mortgage payment	=	\$1,800

Line four (4) should not exceed line three (3)

1. 36% of borrower's stable monthly income $\$3,200 \times 36\%$	=	\$1,152
2. Monthly net operating income	=	\$1,100
3. Total lines 1 and 2	=	\$2,252
4. Proposed mortgage payment	=	\$1,800
5. Borrower's other obligation	=	\$ 400
6. Total lines 4 and 5	=	\$2,200

Line six (6) should not exceed line three (3).

# Pledged Account Mortgage (PAM)



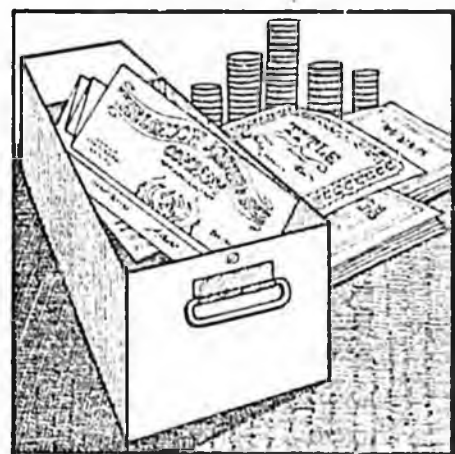
*The Pledged Account Mortgage is designed for those individuals who have ample savings yet their present monthly income does not yet meet the minimum monthly income requirements.*

### Features

- Maximum Loan Amount:**  
 Single-Family Residence . . . . . \$160,500  
 Two-Family Residence . . . . . \$205,200
- Eligible Property:**  
 Owner-occupied single-family dwellings, including condominiums and units in a PUD, and duplexes.

### Type of Loan

The ABE mortgage payment structure applies to the PAM Program. Refer to AHFC's pamphlet entitled "Buying A Home In The Future?" for a detailed description of the ABE Mortgage.



When combined with the Alaska Building Equity (ABE) Mortgage, the PAM offers the benefits of early loan retirement with the additional advantage of lower first year payments. The example demonstrates how the PAM benefits the borrower.

### Interest Rates

Mortgage interest rates are based on the interest rate for AHFC bonds plus the Corporation's operating costs and will vary from time to time. Consult your lender for the current AHFC rate on the Pledged Account Mortgage.

### How Does the PAM Work?

The program allows the borrower to purchase a home based upon potential earnings rather than solely what is earned at present. Generally speaking, it is anticipated that the borrower making application under this program would typically be in a line of employment which demonstrates upward mobility. For some, the PAM means the ability to buy a more expensive home than they would normally qualify for.

The key to the PAM program is the unique use of the borrower's down payment. Rather than using the down payment solely to create equity, a portion is placed into a pledged savings account. Money is drawn out of the pledged account each month for the length of the pledged plan to supplement the out-of-pocket monthly payments. At the same time, the pledged account earns interest at the regular savings rate.

### Loan Characteristics

	PAM	CONVENTIONAL LOAN
Value of Property . . . . .	\$85,000	\$85,000
Mortgage Amount . . . . .	79,850	77,000
Down Payment . . . . .	8,000	8,000
To Equity . . . . .	5,150	8,000
To Pledged Savings . . . . .	2,850	-0-
Interest Rate . . . . .	12.375	12.375

Year	Out-of-Pocket Borrower's Portion	Amount From Pledge Savings	Total Payment	Standard ABE Loan
1	\$ 758.69	85.78	\$ 844.47	\$ 814.35
2	775.12	69.35	844.47	814.35
3	791.91	52.56	844.47	814.35
4	851.29	35.41	886.70	855.07
5	913.14	17.89	931.03	897.82
6	977.58	-0-	977.58	942.71
7	1,026.46	-0-	1,026.46	989.85
8	1,077.78	-0-	1,077.78	1,039.34
9-Life of Mortgage	1,131.67	-0-	1,131.67	1,091.31

With a PAM/ABE Mortgage, the borrower's first year out-of-pocket expense for principal and interest is \$758.69 per month. If the entire \$8,000.00 down payment was applied towards only the equity, the borrower's first year out-of-pocket expense for principal and interest would be \$814.35 per month.

# Second Mortgage Loan Purchase Program



*In 1982, AHFC implemented its Second Mortgage Loan Purchase Program. The program can be divided into three categories:*

- 1) Second Mortgages for the purchase of a residence;*
- 2) Home Improvement Loans (HIL) financed through the sale of tax-exempt bonds; and*
- 3) Home Improvement Loans (HIL) financed through the sale of taxable bonds.*

## 1. Seconds for Purchase

Proceeds of a second mortgage must be used for the purchase of an owner-occupied single-family residence or duplex, where the dwelling is subject to an existing first mortgage.

### Maximum Loan Amount

The total-financing-to-value may not exceed 90% of the market value or sales price—whichever is less—and the sum of the first when combined with the second may not exceed AHFC's current loan maximums of \$160,500 for a single family dwelling and \$205,200 for a duplex.

### Eligible Property

Owner-occupied single-family dwellings (including condominiums or PUDs) and duplexes. Mobile homes, vacation or rental properties are NOT eligible.

### Loan Terms

Up to \$6,450 ..... 5 years  
\$ 6,500 - \$12,450 ..... 10 years  
\$12,500 - and up ..... 15 years

## 2. Home Improvement Loan Tax-Exempt Program

The HIL tax-exempt program is regulated by the federal government. Guidelines for the program have been developed by the U.S. Department of Treasury.

### Maximum Loan Amount

\$15,000. However, the total-financing-to-value may not exceed 90% of the completed market value and the sum of the first and second may not exceed AHFC's loan maximums of \$160,500

for a single family dwelling and \$205,200 for a duplex.

### Eligible Improvements

Those which improve the basic livability or energy efficiency of the dwelling including modernization and additions. Recreational or entertainment facilities are prohibited.

### Eligible Property

Owner-occupied single-family dwellings (including condominiums or PUDs) and duplexes. Mobile homes, vacation or rental properties are NOT eligible.

### Loan Terms

Up to \$6,450 ..... 5 years  
\$ 6,500 - \$12,450 ..... 10 years  
\$12,500 - \$15,000 ..... 15 years

## 3. Home Improvement Loan Taxable Program:

### Maximum Loan Amount

The total-financing-to-value may not exceed 90% of the market value—as completed—and the sum of the first and the second may not exceed AHFC's loan maximums of \$160,500 for a single-family dwelling and \$205,200 for a duplex.

### Eligible Improvements

Those which improve the basic livability or energy efficiency of the dwelling, including completions or additions.

### Eligible Property

Owner-occupied single-family dwellings (including condominiums or PUDs) and duplexes. Mobile homes, vacation or rental properties are NOT eligible.

### Loan Terms

Up to \$6,450 ..... 5 years  
\$ 6,500 - \$12,450 ..... 10 years  
\$12,500 - and up ..... 15 years

### Interest Rates

As with AHFC's first mortgage program, the interest rate is governed by the Legislature and may fluctuate depending on the cost the Corporation must pay to obtain its funds. Interest rates are SUBJECT TO CHANGE WITHOUT PRIOR NOTICE.

By Law, AHFC is allowed to loan up to \$90,000 under the first mortgage program at a subsidized rate. For any portion above \$90,000, the borrower is required to pay an interest rate equal to the cost of funds. The Seconds Program works in the same manner. However, please remember, if the existing first mortgage is a subsidized AHFC loan, the outstanding principal balance of the first mortgage must be subtracted from the \$90,000 to determine the amount of the second that will be eligible for the subsidized rate. This formula applies to all three categories of the Second Mortgage Loan Program.

As of the date of printing of this pamphlet, a second mortgage loan under the tax-exempt program could be as low as 10% (9% for eligible State veterans). Under the taxable home improvement loan program and the seconds for purchase program, the lowest possible rate is 12-3/8% (11-3/8% for eligible State veterans). Consult your lender for the current interest rates for these programs.

Alaska

HOUSING



FINANCE CORPORATION

EXHIBIT G.7

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# BUYING A HOME IN THE FUTURE?

**Alaska Housing Finance Corporation wants you to know the facts about the Alaska Building Equity (ABE) Mortgage.**

**This pamphlet explains how the ABE mortgage works and how you, the home buyer, will benefit from this financing method.**

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## FEATURES

The interest rate remains fixed for the entire life of the mortgage. The initial monthly payments are the same as those which would be required for a 30 year level monthly payment fixed rate mortgage. The monthly payments are increased by 5% for each year at the beginning of years four through nine. Since the interest rate is fixed, the increased portion of the monthly payment is applied to the outstanding principal of the mortgage loan. As a result, the loan is fully repaid within 16 years. Additionally, the amount of total interest paid during the life of the mortgage is approximately half of that paid were the same loan to be repaid over a 30 year period.

## ADVANTAGES TO THE BORROWER

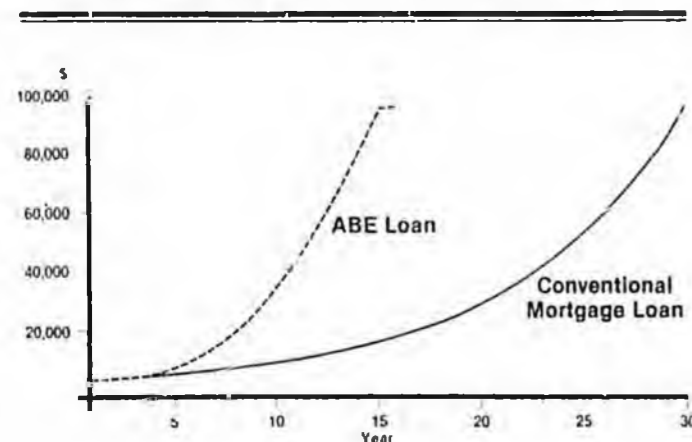
**LOWER MORTGAGE RATE:** Mortgages in excess of \$90,000 will immediately benefit from the reduction in the borrowing costs of AHFC. When AHFC's costs of funds are reduced to a level within 3% of the interest rate previously in effect for the first \$90,000 of a mortgage loan, all borrowers will benefit from the reduction.

**INCREASED RATE**

**OF EQUITY OWNERSHIP:** Since the increased portion of the monthly payment is applied to principal, the borrower's equity in the residence increases far more quickly than with a conventional mortgage.

six times during the life of the mortgage. The maximum increase for a \$90,000 loan will be \$60.74 which will occur at the beginning of the 9th year. No subsequent increases will be required.

**Comparison of Cumulative Equity Balance**



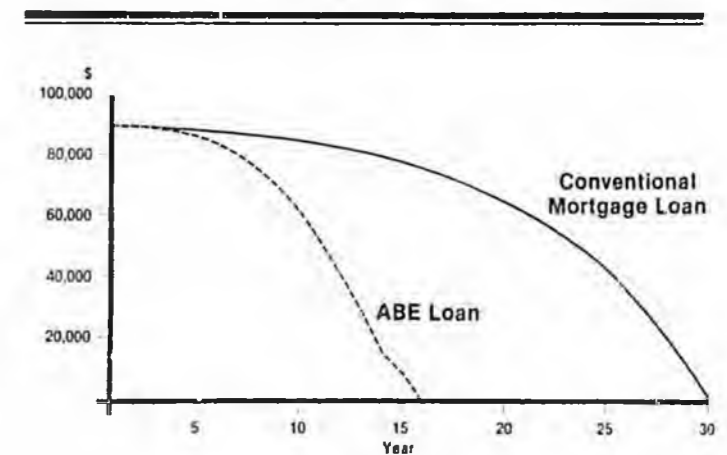
**LOWER MORTGAGE**

**INSURANCE PREMIUM:** Private mortgage insurance is currently required to be carried until the loan-to-value ratio reaches 80%. This same insurance will be necessary for the ABE mortgages. The cost of insurance premium renewals is 1/4 of 1% annually which is paid by the borrower. With an initial loan-to-value ratio of 95%, the ABE loan decreases to the 80% level in approximately half the time required for a 30 year conventional mortgage.

**COMPARISON OF ANNUAL OUTSTANDING LOAN BALANCE:**

Because the ABE structure carries a fixed interest rate, the amount of the increases beginning in year four and ending in year nine are applied directly to the principal balance. Thus, the borrower realizes a rapid growth in the equity and complete repayment of the loan during the 16th year.

**Comparison of Annual Outstanding Loan Balance**

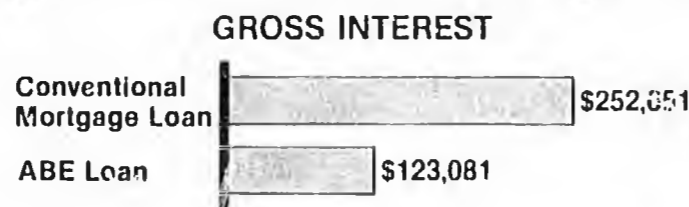


**FIXED PAYMENT SCHEDULE:** Unlike the majority of alternative mortgages currently offered elsewhere, the borrower knows exactly what the monthly payments will be over the life of the mortgage. Even though increases are made to the required monthly payments, they are known well in advance. This allows the borrower the opportunity for accurate financial planning.

**COMPARISON OF ANNUAL PRINCIPAL AND GROSS INTEREST PAYMENTS:**

On a loan amount of \$90,000, amortized over a 30 year period, the borrower pays four times the original cost of the dwelling with 14% of this amount in interest payments. Because the ABE loan is completely paid off in the 16th year, the borrower will pay approximately one-half the interest costs of the standard 30 year term mortgage.

**Comparison of Annual Principal and Gross Interest Payments**



**INCREASES ARE GRADUAL AND MODERATE:**

There are no increases until the beginning of the 4th year. The required increase of 5% in that year's monthly payments for a \$90,000 loan would amount to \$47.59. Payments are increased only

**ADVANTAGES TO THE STATE OF ALASKA AND AHFC**

**CONTINUED AVAILABILITY OF FUNDS:**

With the more rapid payment and shortened life of the mortgage, AHFC's efforts to access shorter-term capital markets are enhanced. The long-term markets require higher yields, generally reflecting the lack of demand for this type of security by investors. With a shorter-term bond, a larger portion of the initial subsidy AHFC must contribute to a bond issue is returned at a much earlier date. Approximately 40% of the initial assets pledged to a ten-year bond issue would return to AHFC free of any obligation upon repayment of the bonds in the 10th year. The return of these assets will have a positive effect by reducing the amount of funds AHFC must request from the State in the future to keep the program operational.

**LOWER BORROWING COSTS:**

AHFC will be able to sell a single-term ten-year bond issue which will result in an approximate 1% savings in interest costs compared to the method of financing currently utilized.

**DECREASED SUBSIDY COST:**

Utilizing the shorter-term bond will reduce subsidy costs by more than 25% over that expected to be incurred employing the methods of financing available with 30 year mortgages. Further, because the current bond structure requires such a large amount of State subsidy, continued operation of the programs could be financially restricted.

**Analysis of Effect of Increases in Borrower's Income Relative to Increased Monthly Payments Required With An Alaska Building Equity (ABE) Mortgage (5% Increases in Years 4 through 9)**

	Principal and Interest Payment	Total Mortgage Payment*	6% Annual Increase		10% Annual Increase	
			Income	Ratio	Income	Ratio
Year 1	\$ 951.81	\$ 1,081.81	\$ 3,864.00	28%	\$ 3,864.00	28%
Year 2	951.81	1,081.81	4,096.00	26%	4,250.00	25%
Year 3	951.81	1,081.81	4,342.00	25%	4,675.00	23%
Year 4	999.40	1,129.40	4,602.00	25%	5,143.00	22%
Year 5	1,049.37	1,179.37	4,878.00	24%	5,657.00	21%
Year 6	1,101.84	1,231.84	5,171.00	24%	6,223.00	20%
Year 7	1,156.93	1,286.93	5,481.00	23%	6,845.00	19%
Year 8	1,214.78	1,344.78	5,810.00	23%	7,530.00	18%
Year 9	1,275.52	1,405.52	6,159.00	23%	8,283.00	17%
Year 10	1,275.52	1,405.52+	6,528.00	22%	9,111.00	15%

\* Includes \$.50 for reserves.

+ The payment remains unchanged for the duration of the mortgage.

Figures based on a \$90,000 loan amount with an interest rate of 12.375%.



## Here are some of the most frequently asked questions about the Alaska Building Equity Mortgage.

- Q.** Why has AHFC changed its present method of mortgage loan financing?
- A.** AHFC receives the majority of its funds by selling bonds in the capital markets. In the past AHFC has sold bonds that mature after a twenty-year period. The ABE program allows AHFC to sell 10-year bonds which have a lower interest cost and broader market acceptance.
- Q.** Does the ABE mortgage change the current eligibility requirements?
- A.** No. The increase in payment does not occur until the fourth year of the loan. AHFC's analysis for eligibility will be based upon current income in relation to the monthly payments to be made in the first year. The first year's payment is the same as if the loan were amortized over a thirty-year period. However, in light of the moderate increases beginning in year four, the analysis will examine the borrower's stability and/or upward mobility of employment.
- Q.** Does the interest rate increase at any time during the life of the mortgage?
- A.** No. The ABE mortgage provides for a fixed interest rate. The increases in payments are strictly for the purpose of reducing the principal balance.
- Q.** Does the ABE structure apply to all AHFC programs?
- A.** Yes. The ABE structure applies to all existing first mortgage programs financed through the sale of bonds. The ABE structure *does not* apply to the Corporation's Second Mortgage Loan Program.
- Q.** Does the ABE program have any effect on my existing AHFC loan?
- A.** No. The ABE program is not retroactive to existing AHFC loans.
- Q.** If I have an existing AHFC 30 year term mortgage may I refinance that loan with the ABE mortgage?
- A.** No. AHFC does not have the authority to refinance a loan whether the loan is held by the Corporation or another investor. AHFC is limited to purchasing newly originated first and second deeds of trust.
- Q.** If I am applying for a Homeownership Assistance Loan (HOF), how will the ABE mortgage effect me?
- A.** Since the ABE structure applies to all AHFC first mortgage programs, individuals under the Homeownership Assistance Program will also be required to increase their payments. It is important to remember, however, that the increases are gradual and moderate and they *do not begin until the 4th year of the loan.*
- Q.** Will my subsidy under the Homeownership Assistance Program increase as my payments increase?
- A.** No. If you are still under the program at the beginning of the fourth year, then the subsidy calculation will take into consideration the increase in payments as well as your increases in salary. However, the amount of subsidy that you receive will not increase.
- Q.** How are the additional increases in payments applied?
- A.** The amount of the increase is applied directly to the principal, thus, increasing your equity and reducing the term of the loan.
- Q.** What happens if I make additional payments on my principal balance during the first year? Do these payments reduce future payments?
- A.** No. The ABE mortgage allows the borrower to make "lump-sum" payments that are applied to the principal. Additional payments reduce the life of the mortgage, however, they do not effect the required monthly payments.
- Q.** How am I notified of the increase in payments each year?
- A.** Your lender will notify you of the date and the amount of any increase.



P.O. Box 1020  
Anchorage, Alaska 99510  
(907) 276-5599

# The Home Buying Process

EXHIBIT G.8



**Your home may be the most important investment of your lifetime. So before you decide to purchase, you will want to investigate all possible aspects. This pamphlet is designed to aid you in understanding the steps involved in buying a home.**

## 1. What Can You Afford

Once you have made the decision to buy a home, the first question most people ask is, "What can I afford?" You've probably heard various rules-of-thumb for estimating what you can afford and such rules are useful in arriving at a ballpark figure. When determining the individual's ability to pay the monthly mortgage debt, AHFC, as a guideline, uses ratios of 28/36. This means that the monthly mortgage payment (which includes principal, interest, taxes, insurance, and homeowner association dues) should not exceed 28% of the borrower's gross stable monthly income. The 36% ratio applies to the overall debt obligation: mortgage payment plus all other obligations i.e. charge cards, automobile loan, child support, etc., and should not exceed 36% of the borrower's gross stable monthly income.

Now that you have a general idea of what you can afford on a monthly basis, the next question is "In what price range of homes should I be looking?" Depending on the interest rate, the term of the loan, and how much money you're willing to put down, your monthly house payment can vary greatly. The following chart should, however, give you some indication of your price range. (See Page 2)

With the purchase of a home comes many unexpected expenses. It is wise to remember that in addition to loan payments, your monthly costs will include payments for taxes, insurance, maintenance and utilities. Utilities alone, such as water, sewage, refuse, gas and electricity can increase your



costs substantially. Therefore, before you purchase a home, it is wise to ask the seller to provide you with past monthly statements of these costs. Or, if it is new construction, you may wish to contact the utility companies in the area. Unless you are willing to adhere to a very strict budget, you will probably be more comfortable with a home loan payment that is less than the maximum amount you can afford.

## 2. Cash Needed

Along with determining what your monthly payment will be, you will need to consider the amount required for settlement costs. Settlement costs, in addition to the down payment, include fees charged by the lender, appraiser, title company, etc. for services and can range from several hundred to several

thousand of dollars. The lender is required to send you an estimate of these settlement costs within three days after you have applied for the loan.

Although local custom usually determines who pays for what costs, you or the seller, you may be able to negotiate some of these fees. The results of any negotiations should be included in your written purchase agreement.

For a full explanation of different types of settlement fees, get a copy of the booklet on settlement costs, prepared by U.S. Department of Housing and Urban Development (HUD). This booklet is available free from lenders and HUD offices.

## \*Approximate Monthly Principal Interest

Loan Amount	9%	10%	11%	12%	13%	14%	15%	16%
\$ 70,000	\$ 563.50	\$ 614.60	\$ 667.10	\$ 720.30	\$ 774.90	\$ 829.50	\$ 885.50	\$ 941.50
80,000	644.00	702.40	762.40	823.20	885.60	948.00	1,012.00	1,076.00
90,000	724.50	790.20	857.70	926.10	996.30	1,066.50	1,138.50	1,210.50
100,000	805.00	878.00	953.00	1,029.00	1,107.00	1,185.00	1,265.00	1,345.00
110,000	885.50	965.80	1,048.30	1,131.90	1,217.70	1,303.50	1,391.50	1,479.50
120,000	966.00	1,053.60	1,143.60	1,234.80	1,328.40	1,422.00	1,518.00	1,614.00
130,000	1,046.50	1,141.40	1,238.90	1,337.70	1,439.10	1,540.50	1,644.50	1,748.50
140,000	1,127.00	1,229.20	1,334.20	1,440.60	1,549.80	1,659.00	1,771.00	1,883.00

\*The amounts shown above are for principal and interest only. They do not include payment for taxes, insurance or homeowner's association dues, if applicable. The monthly principal and interest has been calculated by amortizing the loan over a 30 year period. It is important to remember that AHFC utilizes the ABE mortgage structure and these payments will realize a 5% increase in years four through nine. A detailed description of the ABE mortgage is available in AHFC's pamphlet entitled "Buying A Home In The Future?"

Generally, under all AHFC programs, you will be required to make a down payment of not less than 5% of the sales price or appraised value of the dwelling, whichever is less. Your lender will charge a fee for originating the loan and, in addition, you will be required to pay a commitment fee which is one-half of one percent of the loan amount. Other costs may include such items as: fees for title insurance; the appraisal; the credit report; reimbursement to the seller for pre-paid assessments or taxes; etc. Although it is difficult to estimate, if you plan to put 5% down, your total settlement cost should generally not exceed 10% of the sales price of the dwelling.

### 3. How to Find the Right House

Before you begin looking for the house which best meet your needs, you should consider the various neighborhoods and the types of ownerships.

#### Selecting An Area

Your financial status, as well as your personal happiness, can be greatly affected by your choice of neighborhood. For instance, a neighborhood where there is no road maintenance may not only cause you access problems in the winter, but may also affect resale at a later date.

Distance from your job is also important. Initially, it may sound exciting

to live in a secluded, unpopulated environment. However, you should consider how far you are willing to commute and the cost of commuting each day to your job. Before you buy that home in the woods, drive back and forth during peak traffic hours and determine how long the commute will take.



#### Type of Ownership

Do you want to live in a house, condominium or a planned unit development (PUD) project? Owning either a condominium or a unit in a PUD is significantly different from owning a house. If you buy either of these two dwellings, you will be required to pay monthly dues to the Home Owners Association. These dues cover the cost of maintenance for common areas such as lawn or recreation facilities. In some instances, the dues also include certain utility costs and road

maintenance. Before buying a condominium or a unit in a PUD project, check with the Association and find out exactly how much your monthly fees will be and what services are provided by the Home Owners Association.

#### Where To Look

There are various ways to shop for the house that is right for your family. You can find out about homes for sale by reading the advertisement in the real estate section of the local newspapers; taking a drive through neighborhoods you find attractive; or by consulting a real estate agent in your area. Real estate agents are customarily paid by the seller of the home, so you won't be required to pay the agent directly. However, bear in mind, that the agent's fee might be added to the price of the home.



#### 4. Making an Offer

When you have found the home you want to purchase, you must then decide what price to offer the seller. The contract is drawn up, stating the terms of the sale, and is submitted to the seller who either accepts, rejects or amends the offer and sends it back to you. It will go back and forth as many times as necessary to reach agreement. Only when it is satisfactory to each of you, should both of you sign it.

At the time you sign the contract, you will be asked to make a deposit, called the "earnest money." The amount will vary depending on what you are willing to give and the seller is willing to accept. The deposit is usually applied to the down payment or your share of the settlement costs. If the sale falls through, the deposit will either be kept by the seller or returned to you, depending on the terms of your purchase contract.

#### 5. Arranging Financing

There are a number of ways to finance the purchase of a home. One, of course, is payment of the whole price in cash. However, most people purchase by making a down payment and then obtaining financing through a mortgage loan. In very simple terms, a mortgage loan is a special loan for purchasing a piece of property. The lender supplies the cash to buy the home. You, the borrower, sign a legal document which obligates you to repay the lender. The house and lot are pledged as security. If the borrower fails to make payments (defaults), the lender has the legal right to take over the property and the borrower may lose any equity he has acquired.

For your convenience a list of the AHFC approved mortgage lenders is provided at the end of this pamphlet.

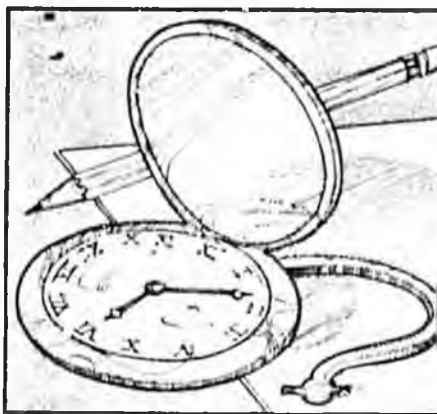
#### 6. The Application Process

Once you have found acceptable financing, make an appointment with the lender to formally apply for the loan. During the meeting, you will be asked to provide information regarding your income, cash and/or assets available to close the loan, job history, terms and amount of other debt obligations, information on the dwelling you plan to purchase, etc. You will also

be asked to sign several documents which will enable the lending institution to verify the statements you have given.

Depending on your particular circumstances or the type of home loan, you may also be asked to provide:

- Tax returns for the past three years
- Divorce Decree
- Child support or alimony settlement
- Two years tax returns and current financial statements (for self-employed)
- Two years tax returns and current year-to-date income figures (professions where income may fluctuate)



#### The Time Element

You can expect the lending institutions to complete your package and have it submitted to AHFC within about three or four weeks. However, if you have held various jobs within the past two years; the majority of your credit references are out-of-state; or there are extenuating circumstances, the process will take longer: up to six or eight weeks.

Once the complete loan package is submitted to AHFC, experience has shown that the "turnaround" time (time it takes AHFC to review the submission and send it back to the lender) can be as many as twenty-one (21) days to as few as three (3) days. The range can be attributed to peak buying periods which normally run from June through November.

A detailed review of the application process, is available in AHFC's booklet entitled "Preparing for Homeownership". This booklet is available free from participating lenders and the AHFC office.

#### 7. Closing the Deal

Closing is the final step and concludes the mortgage loan transaction. At this time, you will be required to pay the remaining settlement costs to effect the closing of the mortgage loan. The escrow agent or lender disburses the funds from the mortgage loan to the seller of the property and you sign a note which obligates you to repay the funds. The deed for the property is recorded after the closing and then mailed to you.

#### The Time Element

Depending on the paperwork involved and the volume of loans at your lending institution, you can expect to close on the loan anywhere from three days to three weeks after the loan has been approved.

#### Approved Alaska Housing Seller/Serviceers

- Alaska Bank of Commerce
- Alaska Continental Bank
- Alaska Federal Savings & Loan Association
- Alaska Mutual Bank
- Alaska National Bank of the North
- Alaska Pacific Bank
- Alaska School Employees Federal Credit Union
- Alaska State Bank
- Alaska Teamsters Federal Credit Union
- Alaska USA Federal Credit Union
- Arctic First Federal Savings
- B.M. Behrends Bank
- City Deposit Corporation
- Colonial Mortgage Services Co.
- First Alaska Mortgage & Escrow First Bank
- First Federal Savings & Loan
- First National Bank of Anchorage
- First National Bank of Fairbanks
- Frontier Saving & Loan Association
- General Electric Mortgage Corporation
- Home Savings & Loan Association
- Lomas & Nettleton
- Mt. McKinley Mutual Savings Bank
- National Bank of Alaska
- Peninsula Savings & Loan
- Peoples Bank & Trust
- Rainier Mortgage Company
- Security National Bank
- Security Pacific Mortgage
- Spokane Mortgage Company
- Suburban Mortgage Trust
- United Bank of Alaska

## ALASKA HOUSING FINANCE CORPORATION

FY 84 Capital Budget Request  
Home Ownership Fund/Mobile Home Loan Program

The Corporation's original capital budget submission requested a \$50 million appropriation to the Home Ownership Fund to be invested in mobile home loans. The earnings of the Home Ownership Fund are used to provide mortgage payment assistance under the Home Ownership Assistance Program, which effectively takes a borrowers monthly mortgage payments down as low as that amount which would be required were the loan to have been made at a 6 percent interest rate. The budget submission acknowledged that the existing assets of the Home Ownership Fund would be sufficient to meet anticipated demand for mortgage assistance for FY 84 without additional funding. The Mobile Home Loan Program, however, was determined to require a \$50 million appropriation for FY 84 and the Corporation recommended it technically go to the Home Ownership Fund with a requirement that it be used to originate mobile home loans.

The \$50 million appropriation request for the Mobile Home Loan Program anticipated a total demand of \$60 million with the \$10 million difference made up from net earnings of the HOF Fund and anticipated loan prepayments. The Corporation has reviewed both the estimated demand and required appropriation and recommends no change in the request.

The estimated demand for mobile home loan financing has been revised to \$75 million. This projection is based upon recent activity experienced by the Corporation and anticipated increases for FY 84 resulting from normal appreciation and program growth. As a result of net earnings and loan prepayments, now expected in excess of the levels reflected in the original budget request, the projected \$15 million increase in loan demand can be accommodated by internally generated cash flow.

The following exhibits are attached as a background information on the Mobile Home Loan Program and its activity:

Summary of Program Criteria	Exhibit A
Summary of Mobile Home Loan Applications	Exhibit B
Loan Summary - Mortgage Purchaed Mobile Home	Exhibit C
Summary of Projected Demand and Proposed Sources of Funding	Exhibit D

# Home Ownership Assistance Program (HOF)

EXHIBIT I

Alaska  
HOUSING  
FINANCE  
CORPORATION

The Home Ownership Assistance Program was designed specifically to meet the needs of the low to moderate income family.

## Features

### Maximum Loan Amount

The purchase price and appraised value shall not exceed:

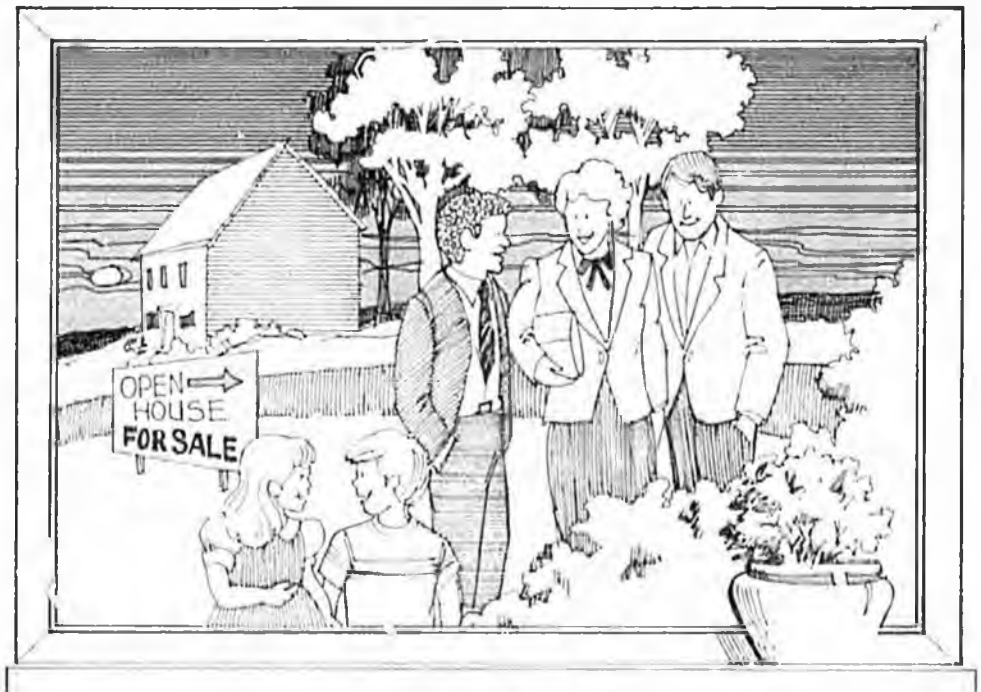
- \$ 80,000 - 1 & 2 member family
- \$ 85,000 - 3 member family
- \$ 90,000 - 4 member family
- \$100,000 - 5 or more member family

Family, for these purposes, is defined as: Any individual executing the note and Deed of Trust, and their dependents who reside in the dwelling on a permanent basis.

Minimum Down Payment 5%

### Eligible Property

Owner-occupied single-family residences. This would include condominiums or units in PUD projects. Mobile homes and multi-family units are not permitted.



## Type of Loan

The ABE mortgage payment structure applies to the HOF Program. Refer to AHFC's pamphlet entitled "Buying A Home In the Future?" for a detailed description of the ABE Mortgage. All applications for the HOF Program must be submitted under the Tax-Exempt Program. For details on the Tax-Exempt Program refer to AHFC's pamphlet entitled "Mortgage Subsidy Tax Act, Tax-Exempt Program."

### Borrower's Requirement

Since the program provides an additional subsidy payment, there are several requirements that an individual must meet.

#### 1. Maximum Annual Income:

Low to moderate borrowers are defined to be persons with gross household

incomes not to exceed the following:

Base Income Limitation	\$26,000
Each Additional Adult	1,000
One Child	5,000
Two Children	7,500
Each Additional Child (over the number 2)	1,000

Example: The income limitation for a household consisting of two (2) adults and three (3) children is \$35,500:

Base Limitation (1 adult)	\$26,000
Additional Adult	1,000
Two Children	7,500
1 Additional Child	1,000
	<hr/>
	\$35,500

Household, for these purposes, is defined as: All persons who occupy

the home on a permanent basis, as a full or part time resident.

#### 2. Maximum Assets

To be eligible for the HOF program the household may not own assets at the time of application which exceed twice the maximum household income limit. If a borrower is over 65, this amount is raised to three times the maximum income figure.

#### What Constitutes An Asset?

When reviewing a loan application, AHFC will consider the gross value of all assets belonging to the applicant. Therefore, even if you do not own property free and clear, you will be required to report the gross market value of that property regardless of any outstanding loan.

### Calculation of Subsidy

The HOF Program assists the borrower by subsidizing a portion of the monthly payment. The amount of subsidy a borrower receives is based on the lesser of the following:

Formula 1: Principal and interest (P & I) calculated at the current interest rate, less the P & I at 6%.

Formula 2: P & I calculated at the current rate, less 20% of the gross monthly household income.

In addition, the subsidy may not reduce the total monthly payment (P & I plus taxes and insurance) to less than 28% of the gross monthly household income. If the subsidy is less than \$50.00 per month, the borrower may not apply under the HOF Program.

An example of the subsidy calculation is shown below.

### Recertification

Borrowers under the HOF Program are recertified on an annual basis to determine how much assistance they are to receive. The borrower enters into an Assistance Agreement with AHFC in which they agree to furnish information regarding their income so the amount of subsidy can be correctly figured. The agreement expires on December 31 of each year and the borrower must recertify by April 15 of the following year. AHFC will

automatically extend the agreement until the April 15 date.

Using the same calculation as in the example, the new subsidy is determined based on current income. At this point, the subsidy may be decreased, remain the same or eliminated, but at no time will the subsidy be increased. In addition, based on all income received during the past year, AHFC determines if any excess subsidy was paid. Any excess subsidy must be repaid to AHFC. Therefore, while the recertification is only performed annually, you may want to report increases in income immediately to the lender to avoid receiving excess subsidy.

### Frequently Asked Questions

**Q.** Once my income reaches the maximum income limit, do I no longer receive a subsidy?

**A.** No. The income limits only apply when you first enter the program.

**Q.** At what point do I no longer receive the subsidy?

**A.** Other than for the reasons in your Assistance Agreement (i.e., no longer occupying the property), the subsidy ends when:

(a) 20% of your gross monthly household income makes the principal and interest payment; or

(b) 28% of your gross monthly household income makes the principal and interest payment plus pays the taxes and insurance; or

(c) the subsidy is less than \$50.00.

**Q.** Will I be notified when it is time to recertify and what documents will I have to provide?

**A.** Yes, you will be notified by the lender. You must provide a complete copy of your income tax return, sign a verification of employment (so the lender can verify your past and current earnings), and provide any other documents that may be requested regarding your income for such things as child support and unemployment compensation.

**Q.** Can the April 15 date be extended?

**A.** Yes. You must request the extension through your lender in writing and the request must include a copy of the request to extend the filing of your federal tax return.

**Q.** What happens if I don't recertify?

**A.** If you fail to recertify, all subsidy paid by AHFC during the previous year and to-date must be repaid to AHFC.

**Q.** How am I notified about excess subsidy I might owe and how long do I have to repay it?

**A.** You will be notified in writing by the lender. The repayment schedule will be based on the amount you owe. If you disagree with the amount or need additional time to repay the excess subsidy, you have ten (10) days in which to notify the lender in writing.

**Q.** Once I'm no longer receiving a subsidy, can I go back on subsidy if my income decreases?

**A.** No. Once the subsidy has ended, you may not go back on subsidy.

### EXAMPLE:

A. Loan Amount	\$80,750
B. Gross Monthly Income (GMI)	\$ 2,500
C. 28% of GMI	\$700
D. Taxes, Insurance, PMI, Homeowners Association Dues	\$100
1. P&I @ current rate (10%)	\$708.66
2. P&I @ 6%	484.50
3. Formula 1 (1 minus 2)	\$224.16
4. P&I @ current rate (10%)	\$708.66
5. Less 20% GMI	500.00
6. Formula 2 (4 minus 5)	\$208.66
7. Subsidy (lesser of 3 or 6)	\$208.66
8. Borrower's monthly P&I (1 minus 7)	\$500.00
9. Other Housing Expenses (D)	100.00
10. Total Payment	\$600.00

\* 11. Ratio (10 divided by B) . . . . . 24%

\* This figure is less than 28%, thus the subsidy is reduced by \$100 (C minus 10). The amount of subsidy is \$108.60.

## MOBILE HOME PROGRAM

UNLIKE OTHER PROGRAMS OFFERED BY AHFC, THE MOBILE HOME PROGRAM IS FINANCED DIRECTLY THROUGH APPROPRIATIONS FROM THE STATE OF ALASKA. OTHER THAN THE SALE OF BONDS, THEREFORE, THE MOBILE HOME PROGRAM IS NOT INCLUDED IN THE ABE MORTGAGE STRUCTURE.

FEATURES

Maximum Loan Amount           \$ 72,500

Minimum Down Payment           5%

## Maximum Term

The maximum term is 20 years or the remaining economic life of the dwelling, whichever is less.

## Eligible Property

Owner-occupied mobile homes containing not less than 600 square feet of gross living area.

VA Guaranteed or FHA insured loans are allowable. However, down payments and maximum loan amounts will vary. Check with your lender for details.

## OTHER CRITERIA

1. AHFC will not consider the purchase of a mobile home loan for a borrower who currently owns a residence within the State of Alaska.
2. Personal property (furniture and appliances) that may be included in the sale of the mobile home is limited to \$1,500.00. The mobile home may contain personal property valued at more than \$1,500.00, however, AHFC will

not consider the amount over \$1,500.00 in the value of the mobile home. Other personal property such as lean-tos, wanigans, storage sheds, etc. shall not be a part of the appraised value but will be taken as part of the collateral.

3. The mobile home may be located in a mobile home park that has been approved by AHFC, on leased land or on an individual lot. You should consult your lender for specific details if you plan on placing the mobile home on leased land or on a lot.
4. No secondary financing is permitted.

INTEREST RATES

The interest rate under this program follows those established under the Special Mortgage Loan Purchase Program and will vary from time to time. Interest rates are SUBJECT TO CHANGE WITHOUT PRIOR NOTICE. As of the date of printing of this pamphlet, the interest rate under the Mobile Home Program is 12 3/8% (11 3/8% for eligible State veterans). Consult your lender for the current interest rate for this program.

ALASKA HOUSING FINANCE CORPORATION  
SUMMARY OF APPLICATIONS - MONTHLY  
MOBILE HOMES

	Received		Approved		%	Denied		%
	No.	AMT.	No.	AMT.		No.	AMT.	
January 1982	126	3,318,800	110	2,969,750	87.30	16	349,050	12.70
February 1982	100	2,562,600	85	2,146,500	85.00	15	416,100	15.00
March 1982	132	3,766,900	118	3,244,750	89.39	14	522,150	10.61
April 1982	183	5,401,450	161	4,706,250	87.98	22	695,200	12.02
May 1982	180	5,278,850	150	4,436,650	83.33	30	842,200	16.67
June 1982	216	6,617,800	188	5,752,400	87.04	28	865,400	12.96
July 1982	158	5,027,100	131	4,078,300	82.91	27	948,800	17.09
August 1982	201	5,979,700	163	4,819,250	81.09	38	1,160,450	18.91
September 1982	227	7,290,900	203	6,367,250	89.43	24	923,650	10.57
October 1982	211	6,749,750	192	6,082,700	91.00	19	667,050	9.00
November 1982	190	6,018,850	155	4,747,550	81.58	35	1,271,300	13.42
December 1982	173	5,746,400	157	5,114,600	90.75	16	631,800	9.25
January 1983	133	4,392,350	120	3,965,150	90.23	13	427,200	9.77
February 1983	129	4,527,850	112	3,889,450	86.82	17	638,400	13.18
March 1983	181	5,740,550	167	5,359,200	92.27	14	381,350	7.73
April 1983	74	2,405,200	47	1,554,850	63.52	2	67,900	2.70

Month Appl. Rec.	Pending			In Process		
	No.	AMT.	%	No.	AMT.	%
April	2	56,250	2.70	23	726,200	31.08

## ALASKA HOUSING FINANCE CORPORATION

LOAN SUMMARY - MORTGAGES PURCHASED  
RECEIVING HOME OWNERSHIP SUBSIDY

	<u>FY '81</u>	<u>%</u>	<u>FY '82</u>	<u>%</u>	<u>JULY - MARCH FY '83</u>	<u>%</u>
Sales Price	67,142		68,684		74,217	
Appraised Value	68,318		69,568		75,119	
Note Amount	63,183		64,381		69,671	
Monthly Income	1,905		1,932		1,990	
Age of Borrower	29.6		30.0		29.7	
Size of Household	1.8		1.9		1.9	
Loan to Sales Price Ratio	94.10		93.74		93.87	
Weighted Average Int. Rate	9.98		11.12		10.49	
Monthly P & I Payment			620.18		636.79	
Dwelling Type						
SFR	227	59.58	398	44.08	302	42.00
Condo	141	37.01	487	53.93	412	57.30
PUD	13	3.41	18	1.99	5	.70
	<u>381</u>	<u>100.00</u>	<u>903</u>	<u>100.00</u>	<u>719</u>	<u>100.00</u>
New/Existing						
New	57	14.96	272	30.12	497	69.12
Existing	324	85.04	631	69.88	222	30.88
	<u>381</u>	<u>100.00</u>	<u>903</u>	<u>100.00</u>	<u>719</u>	<u>100.00</u>
First Time Homeowner						
Yes	289	75.85	639	70.76	549	76.36
No	92	24.15	264	29.24	170	23.64
	<u>381</u>	<u>100.00</u>	<u>903</u>	<u>100.00</u>	<u>719</u>	<u>100.00</u>
Insurance Type						
FHA	-	-	-	-	-	-
VA	-	-	-	-	-	-
CONV	381	100.00	903	100.00	719	100.00
	<u>381</u>	<u>100.00</u>	<u>903</u>	<u>100.00</u>	<u>719</u>	<u>100.00</u>
Eligible State Veteran	7	1.84	11	1.22	54	7.51
Non-Eligible State Veteran	374	98.16	892	98.78	665	92.49
	<u>381</u>	<u>100.00</u>	<u>903</u>	<u>100.00</u>	<u>719</u>	<u>100.00</u>
Original Balance			24,072,600.00	58,136,000.00	50,093,400.00	

## ALASKA HOUSING FINANCE CORPORATION

LOAN SUMMARY - MORTGAGES PURCHASED  
MOBILE HOMES

	<u>FY '81</u>	<u>%</u>	<u>FY '82</u>	<u>%</u>	<u>JULY - MARCH FY' 83</u>	<u>%</u>
Sales Price	25,971		27,966		34,016	
Appraised Value	26,553		29,160		34,953	
Note Amount	23,558		25,878		31,067	
Monthly Income	2,450		2,710		2,894	
Age of Borrower	32.0		32.9		32.1	
Size of Household	2.5		2.6		2.6	
Loan to Sales Price Ratio	90.71		92.54		91.33	
Weighted Average Int. Rate	10.71		11.34		11.85	
Monthly P & I Payment			285.20		349.42	
Dwelling Type						
Mobile Homes	<u>558</u>	<u>100.00</u>	<u>1,324</u>	<u>100.00</u>	<u>1,426</u>	<u>100.00</u>
New/Existing						
New	36	6.45	132	9.97	331	23.21
Existing	<u>522</u>	<u>93.55</u>	<u>1,192</u>	<u>90.03</u>	<u>1,095</u>	<u>76.79</u>
	<u>558</u>	<u>100.00</u>	<u>1,324</u>	<u>100.00</u>	<u>1,426</u>	<u>100.00</u>
First Time Homeowner						
Yes	364	65.23	840	63.44	941	65.99
No	<u>194</u>	<u>34.77</u>	<u>484</u>	<u>36.56</u>	<u>485</u>	<u>34.01</u>
	<u>558</u>	<u>100.00</u>	<u>1,324</u>	<u>100.00</u>	<u>1,426</u>	<u>100.00</u>
Insurance Type						
FHA	-	-	-	-	-	-
VA	4	.72	74	5.59	176	12.34
CONV	<u>554</u>	<u>99.28</u>	<u>1,250</u>	<u>94.41</u>	<u>1,250</u>	<u>87.66</u>
	<u>558</u>	<u>100.00</u>	<u>1,324</u>	<u>100.00</u>	<u>1,426</u>	<u>100.00</u>
Eligible State Veteran	1	.18	71	5.36	172	12.06
Non-Eligible State Veteran	<u>557</u>	<u>99.82</u>	<u>1,253</u>	<u>94.64</u>	<u>1,254</u>	<u>87.94</u>
	<u>558</u>	<u>100.00</u>	<u>1,324</u>	<u>100.00</u>	<u>1,426</u>	<u>100.00</u>
Original Balance			13,145,460.00		34,263,450.00	
					44,301,200.00	

cf19

## ALASKA HOUSING FINANCE CORPORATION

Summary of Projected Demand and Proposed Sources of Funding  
Mobile Home Loan ProgramSummary of Projected Demand

Mobile home loan approvals April 1, 1982 through March 31, 1983	\$59,318,750
Appreciation and growth adjustment (1)	<u>14,829,608</u>
CALCULATED DEMAND	<u>\$74,148,438</u>
ROUNDED TO	<u>\$75,000,000</u>

Summary of Proposed Sources of Funding

Appropriation Request	\$50,000,000
Estimated amounts in the Home Ownership Fund available for mobile home loan originations:	
As of June 30, 1983 (2)	4,000,000
FY 84 Net earnings (\$8,000,000) and prepayments (\$11,000,000)	19,000,000
Estimated Mortgage repayments in the State Appropriated Loan Fund available for mobile home loan originations:	
Through June 30, 1983 (3)	<u>2,000,000</u>
	<u>\$75,000,000</u>

- (1) Assumes 15 percent appreciation and 5 percent program growth applied to the April 1982 - March 1983 approvals, adjusted to reflect the 3 month period discrepancy.
- (2) Approximately \$16 million of the FY 83 mobile home loan program activity is expected to be financed from the earnings of, and mortgage repayments received in the Home Ownership Fund through June 30, 1983.
- (3) Anticipates consolidation of State Appropriated Loan Fund into the Corporation's Operating Fund with loan prepayments held in short term investments and available for application to debt service requirements applicable to outstanding obligations if necessary.

**PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT**

SB 315 TITLE & SPONSOR SUMMARY 17:10 6/04/84 PAGE 1 OF 1  
 SHORTEST TITLE: CS05 315(FIN)  
 AN ACT MAKING SPECIAL APPROPRIATIONS FOR CERTAIN STATE  
 LOAN AND GRANT PROGRAMS,  
 AND PROVIDING FOR AN EFFECTIVE DATE

GENERAL DOLLARS: \$228,964,000 (APPROX)  
 OTHER DOLLARS: 4050,000

CO-SPONSORS:  
 CURRENT STATUS: 6/03/83 IN (S) FINANCE

SB 315 HOUSE ACTION 17:11 6/04/84 PAGE 2 OF 2  
 LEGISLATIVE ACTION

DATE	SEQ	PAGE	LEGISLATIVE ACTION
4/04/83	01	0713	FIRST READING -- COMMITTEE REPORTS
4/20/83	02	0943	CSRA -- CS05, NR02
5/05/83	03	1191	LOAN -- CS04
5/20/83	04	1444	FIN -- CS10
			TAKEN UP IMMEDIATELY
5/20/83	05	1454	SECOND READING
5/20/83	06	1454	FIN CS ADOPTED BY UNAN CONSENT
5/20/83	07	1454	ADVANCED TO 3RD READING BY UNAN CONSENT
5/20/83	08	1454	THIRD READING
5/20/83	09	1455	PASSED BY DIV 38-01-01
5/20/83	10	1455	EFFECTIVE DATE VOTE SAME AS PASSAGE
5/20/83	11	1455	NOTICE OF RECONSIDERATION GIVEN
5/21/83	12	1481	RECONSIDERATION NOT TAKEN UP
***	**	**	*** *** ***

SB 315 SENATE ACTION 17:11 6/04/84 PAGE 3 OF 3  
 LEGISLATIVE ACTION

DATE	SEQ	PAGE	LEGISLATIVE ACTION
6/23/83	13	1078	FIRST READING -- COMMITTEE REPORTS
6/03/83	14	1125	L&C -- DP(AM)03
			FINANCE
			RULES
***	**	**	*** *** ***

COMMITTEE REPORT

SENATE

FURTHER:

FINANCE

5/27/43

Date: 6-2-43

Mr. President:

The Committee on LABOR & COMMERCE has had CHIEF CLERK

Special Appropriations for certain state loan and grant programs.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)  same title
- replace with CS for \_\_\_\_\_  new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

*[Signature]*

\_\_\_\_\_

*[Signature]*

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

*[Signature]*

\_\_\_\_\_

CHAIRMAN

SENATE AMENDMENT

By Senate Labor and Commerce Committee

To: AMEND SENATE BILL No. \_\_\_\_\_

To: AMEND HOUSE BILL No. CSHD 315(F15)

PAGE: 1      LINE: 13

After "and" insert the following:

"for senior citizen housing facilities and  
for nonhousing facilities that are incidental or  
appurtenant to senior citizen housing".



ANALYSIS OF STATE LOAN AND GRANT PROGRAM FUNDING  
 Prepared by the House Special Committee on State Loans

PLEASE NOTE INTERIOR PAGES CORRESPOND WITH BILL SECTION NUMBERS. SEE APPROPRIATE PAGE FOR MORE DETAIL.

Bill Sec	Program	Amount requested in CSHB 315 (Fin)	Amount requested last year*	Amount requested in Gov's Capital Budget (1-11-83)
01	AHFC Special Mortgage Loan Purchase	\$6,801,000	\$105,000,000	\$100,000,000
02	AHFC Home Ownership Assistance	\$45,000,000	\$45,000,000	\$50,000,000
03	C&RA Senior Citizens Housing Development	\$19,530,000	\$10,000,000	\$2,500,000
04	C&RA Supplemental Housing Development	\$3,500,000	Ø	Ø
05	C&RA Housing Assistance Loan Fund (for existing programs)	\$45,000,000	\$45,000,000	\$45,000,000
06	C&RA Housing Assistance Loan Fund (for implementation of HOAF; see CSHB 302 (Fin), section 9)	\$15,000,000	n/a	n/a
07	C&RA Home Ownership Assistance Fund (for capitalization of new program; see CSHB 302 (Fin), section 9)	\$650,000	n/a	n/a
08	C&ED Division of Investments	\$22,483,900	\$51,800,000	\$28,508,900
09	DNR Agricultural Loan	\$10,000,000	\$10,000,000	\$10,000,000
10	Scholarship Loan	\$60,000,000	\$52,000,000	\$60,000,000
11	Scholarship Loan (federal receipts)	\$850,000	\$986,100	\$850,000
12	APA Rural Electrification Loan	\$1,000,000	Ø	\$1,000,000

\* Amounts taken from CCSSB 322, Appropriation to various state loan and grant programs, (1982)

1

ANALYSIS OF STATE LOAN AND GRANT PROGRAM FUNDING  
Prepared by the House Special Committee on State Loans

Bill Sec	Program	Amount requested in CSHB 315 (Fin)	Amount requested last year*	Amount requested in Gov's Capital Budget (1-11-83)
01	NHFC Special Mortgage Loan Purchase	\$6,801,000	\$105,000,000	\$100,000,000

Supervisory/Administrative Agency: Department of Revenue

Statutory Authority: AS 18.56.010 - AS 18.56.210      Reference: page 81, State Loan Programs

Program Description: The Special Mortgage Loan Purchase Program is intended to assist in the acquisition and development of land and in the construction, rehabilitation, and refinancing of housing for people of lower income, as well as for all Alaskans. The Special Mortgage Loan Purchase Program is NHFC's principal financing program, accounting for approximately 90 percent of the agency's lending activities.

Funding breakdown:

Continuation funding.....6,801,000  
6,801,000

Comments:

\* Amounts taken from CCSSB 322, Appropriation for various state loan and grant programs (1982)

ANALYSIS OF STATE LOAN AND GRANT PROGRAM FUNDING  
 Prepared by the House Special Committee on State Loans

Bill Sec	Program	Amount requested in CSIB 315 (Fin)	Amount requested last year*	Amount requested in Gov's Capital Budget (1-11-83)
02	AHFC Home Ownership Assistance	\$45,000,000	\$45,000,000	\$50,000,000

Supervisory/Administrative Agency: Department of Revenue

Statutory Authority: AS 18.56.091

Reference: page 65, State Loan Programs

Program Description: The Home Ownership Assistance Program is intended to provide mortgage subsidies to people of low and moderate income. By a corporation funding mechanism, the appropriation to the Home Ownership Assistance Program is invested in Alaskan mobile home loans purchased under the mobile home loan purchase program; the subsequent income stream, both principal and accrued interest, is then used to subsidize actual HOAP loans.

Funding breakdown:

Continuation funding.....	45,000,000
	45,000,000

Comments:

\* Amounts taken from CCSSB 322, Appropriation for various state loan and grant programs (1982)

ANALYSIS OF STATE LOAN AND GRANT PROGRAM FUNDING  
 Prepared by the House Special Committee on State Loans

Bill Sec	Program	Amount requested in CSHB 315 (Fin)	Amount requested last year*	Amount requested in Gov's Capital Budget (1-11-83)
03	C&RA Senior Citizens Housing Development	\$19,530,000	\$10,000,000	\$2,500,000

Supervisory/Administrative Agency: Department of Community and Regional Affairs, Housing Assistance Div.

Statutory Authority: AS 44.47.610 - AS 44.47.620

Reference: Letter from C&RA

Program Description: The Senior Citizens Housing Development Fund is intended to alleviate the shortage of decent, safe, and sanitary residential housing available at low or moderate prices or rentals to persons 60 years of age or older.

Funding breakdown:

Continuation funding.....	2,500,000
Additional funding to.....	17,030,000
meet projected shortfall	
	19,530,000

Comments:

\* Amounts taken from CCSSB 322, Appropriation for various state loan and grant programs (1982)

ANALYSIS OF STATE LOAN AND GRANT PROGRAM FUNDING  
 Prepared by the House Special Committee on State Loans

Bill Sec	Program	Amount requested in CSMB 315 (Fin)	Amount requested last year*	Amount requested in Gov's Capital Budget (1-11-83)
04	C&RA Supplemental Housing Development	\$3,500,000	Ø	Ø

Supervisory/Administrative Agency: Department of Community and Regional Affairs, Housing Assistance Div.

Statutory Authority: AS 18.55.998

Reference: see statutes

Program Description: The Supplemental Housing Development Fund is intended to finance grants to regional housing authorities established under AS 18.55.996 for the cost of on-site sewer and water facilities, road construction to project sites, and extension of electrical distribution facilities to individual residences. Appropriations to this grant program are eligible for federal matching funds.

Funding breakdown:

Continuation funding.....3,500,000

3,500,000

Comments:

\* Amounts taken from CCSSB 322, Appropriation for various state loan and grant programs (1982)

ANALYSIS OF STATE LOAN AND GRANT PROGRAM FUNDING  
 Prepared by the House Special Committee on State Loans

Bill Sec	Program	Amount requested in CSHB 315 (Fin)	Amount requested last year*	Amount requested in Gov's Capital Budget (1-11-83)
05	C&RA Housing Assistance Loan Fund (for existing programs)	\$45,000,000	\$45,000,000	\$45,000,000

Supervisory/Administrative Agency: Department of Community and Regional Affairs, Housing Assistance Div.

Statutory Authority: AS 44.47.380 - AS 44.57.560

Reference: page 87, State Loan Programs

Program Description: The Housing Assistance Loan Fund is intended to provide funding for mortgages, building materials, renovations, and improvements for nonconforming and rural housing.

Funding breakdown:

Continuation: funding.....45,000,000

45,000,000

Comments:

\* Amounts taken from CCSSB 322, Appropriation for various state loan and grant programs (1982)

ANALYSIS OF STATE LOAN AND GRANT PROGRAM FUNDING  
Prepared by the House Special Committee on State Loans

Bill Sec	Program	Amount requested in CSHB 315 (Fin)	Amount requested last year*	Amount requested in Gov's Capital Budget (1-11-83)
06	C&RA Housing Assistance Loan Fund (for implementation of HOAF; see below)	\$15,000,000	n/a	n/a

Supervisory/Administrative Agency: Department of Community and Regional Affairs, Housing Assistance Div.

Statutory Authority: (HALF) AS 44.47.380 - AS 44.47.560      Reference: Section 9, CSHB 302 (Fin) also

Program Description: The proposed Home Ownership Assistance Fund is intended to subsidize mortgage loans for people with low or moderate income, subject to the definitions and restrictions in section 9 of the Finance Committee Substitute for House Bill 302. C&RA projects that the new subsidy program will result in substantially higher demand for loans made from the Housing Assistance Loan Fund.

Funding breakdown:

Funding for increased.....	15,000,000
demand due to new loan program, Home Ownership Assistance Fund, in HB 302 (see bill for details)	
	15,000,000

Comments:

\* Amounts taken from CCSSB 322, Appropriation for various state loan and grant programs (1982)

ANALYSIS OF STATE LOAN AND GRANT PROGRAM FUNDING  
 Prepared by the House Special Committee on State Loans

Bill Sec	Program	Amount requested in CSIB 315 (Fin)	Amount requested last year*	Amount requested in Gov's Capital Budget (1-11-83)
07	C&RA Home Ownership Assistance Fund (for capitalization of new program; see below)	\$650,000	n/a	n/a

Supervisory/Administrative Agency: Department of Community and Regional Affairs, Housing Assistance Div.

Statutory Authority: n/a, see Section 9, CSIB 302 (Fin)                      Reference: Section 9, CSIB 302 (Fin)

Program Description: The proposed Home Ownership Assistance Fund is intended to subsidize mortgage loans for people with low or moderate income, subject to the definitions and restrictions in section 9 of the Finance Committee Substitute for House Bill 302.

Funding breakdown:

Funding for new loan.....	650,000
program, Home Ownership Assistance Fund, in HB 302 (see bill for details)	650,000

Comments:

\* Amounts taken from CCSSB 322, Appropriation for various state loan and grant programs (1982)

ANALYSIS OF STATE LOAN AND GRANT PROGRAM FUNDING  
Prepared by the House Special Committee on State Loans

Bill Sec	Program	Amount requested in CSIB 315 (Fin)	Amount requested last year*	Amount requested in Gov's Capital Budget (1-11-83)
08	C&ED Division of Investments	\$22,483,900	\$51,800,000	\$28,508,900

Supervisory/Administrative Agency: Department of Commerce and Economic Development, Div. of Investments

Statutory Authority: see specific programs below

Reference: see specific programs below

Program Descriptions:	<u>Loan Program</u>	<u>Statute</u>	<u>Allocation</u>	<u>Reference</u>
	alternative technology and energy loans	AS 45.88	2,400,000	p.57
	commercial fishing loans	AS 16.10.300- AS 16.10.370	9,091,000	p.29
	child care facility loans	AS 44.30.240	869,500	p.97
	historical district loans	AS 45.98	500,000	p.113
	fisheries enhancement loans	AS 16.10.500	6,500,000	p.33
	residential energy conservation loans	AS 45.89	3,123,400	p.59

Funding breakdown:

See above for individual programs

Comments:

\* Amounts taken from CSSB 322, Appropriation for various state loan and grant programs (1982)

ANALYSIS OF STATE LOAN AND GRANT PROGRAM FUNDING  
 Prepared by the House Special Committee on State Loans

Bill Sec	Program	Amount requested in CSIB 315 (Fin)	Amount requested last year*	Amount requested in Gov's Capital Budget (1-11-83)
09	DNR Agricultural Loan	\$10,000,000	\$10,000,000	\$10,000,000

Supervisory/Administrative Agency: Department of Natural Resources

Statutory Authority: AS 03.10.020 - AS 03.10.060      Reference: page 13, State Loan Programs

Program Description: The Agricultural Revolving Loan Fund is intended to promote the more rapid and effective development of agriculture as an industry throughout the state through long term, low interest loans.

Funding breakdown:

Continuation funding.....	10,000,000
	10,000,000

Comments:

\* Amounts taken from CCSSB 322, Appropriation for various state loan and grant programs (1982)

ANALYSIS OF STATE LOAN AND GRANT PROGRAM FUNDING  
 Prepared by the House Special Committee on State Loans

Bill Sec	Program	Amount requested in CSIB 315 (Fin)	Amount requested last year*	Amount requested in Gov's Capital Budget (1-11-83)
10	Scholarship Loan	\$60,000,000	\$52,000,000	\$60,000,000

Supervisory/Administrative Agency: Commission on Postsecondary Education

Statutory Authority: AS 14.43.090 - AS 14.43.160      Reference: page 45, State Loan Programs

Program Description: The Scholarship Revolving Loan Fund is intended to provide educational loans at a low cost to Alaskan students enrolled in undergraduate, graduate, or career degree programs.

Funding breakdown:

Continuation funding.....60,000,000  
60,000,000

Comments:

\* Amounts taken from CCSSB 322, Appropriation for various state loan and grant programs (1982)

ANALYSIS OF STATE LOAN AND GRANT PROGRAM FUNDING  
 Prepared by the House Special Committee on State Loans

Bill Sec	Program	Amount requested in CSIB 315 (Fin)	Amount requested last year*	Amount requested in Gov's Capital Budget (1-11-83)
11	Scholarship Loan (federal receipts)	\$850,000	\$986,100	\$850,000

Supervisory/Administrative Agency: Commission on Postsecondary Education

Statutory Authority: AS 14.43.090 - AS 14.43.160      Reference: page 45, State Loan Programs

Program Description: The Scholarship Revolving Loan Fund is intended to provide educational loans at a low cost to Alaskan students enrolled in undergraduate, graduate, or career degree programs.

Funding breakdown:

Continuation funding.....	850,000
	<u>850,000</u>

Comments:

\* Amounts taken from CCSSB 322, Appropriation for various state loan and grant programs (1982)

ANALYSIS OF STATE LOAN AND GRANT PROGRAM FUNDING  
 Prepared by the House Special Committee on State Loans

Bill Sec	Program	Amount requested in CSHB 315 (Fin)	Amount requested last year*	Amount requested in Gov's Capital Budget (1-11-83)
11	Scholarship Loan (federal receipts)	\$850,000	\$986,100	\$850,000

Supervisory/Administrative Agency: Commission on Postsecondary Education

Statutory Authority: AS 14.43.090 - AS 14.43.160      Reference: page 45, State Loan Programs

Program Description: The Scholarship Revolving Loan Fund is intended to provide educational loans at a low cost to Alaskan students enrolled in undergraduate, graduate, or career degree programs.

Funding breakdown:

Continuation funding.....	850,000
	850,000

Comments:

\* Amounts taken from CCSSB 322, Appropriation for various state loan and grant programs (1982)

ANALYSIS OF STATE LOAN AND GRANT PROGRAM FUNDING  
 Prepared by the House Special Committee on State Loans

Bill Sec	Program	Amount requested in CSMB 315 (Fin)	Amount requested last year*	Amount requested in Gov's Capital Budget (1-11-83)
12	APA Rural Electrification Loan	\$1,000,000	Ø	\$1,000,000

Supervisory/Administrative Agency: Alaska Power Authority

Statutory Authority: AS 45.88.010 - AS 45.88.040      Reference: page 59, State Loan Programs

Program Description: The Rural Electrification Revolving Loan Fund is intended to make loans to electric utilities to extend electric service into rural areas of the state.

Funding breakdown:

Continuation funding.....	1,000,000
	<u>1,000,000</u>

Comments:

\* Amounts taken from CCSSB 322, Appropriation for various state loan and grant programs (1982)