

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILE 8672
1600 SCOMM 60: HOUSING FINANCE TASK FORCE, 1989

- 3) project characteristics
- 4) sponsor characteristics
- 5) targeting individuals on public housing waiting lists
- 6) participation of local tax-exempt organizations

IV. SELECTION CRITERIA

Applications will be ranked according to the number of points received under the primary category first. The applications will then be evaluated based on the secondary criteria.

A. Primary Criteria

1) Intermediary Costs (Maximum points 10)

Points

- | | |
|----|---|
| 0 | - 30% or more of total project costs. |
| 2 | - 25% or more of total project costs. |
| 4 | - 20% or more of total project costs. |
| 6 | - 15% or more of total project costs. |
| 8 | - 10% or more of total project costs. |
| 10 | - Less than 10% of total project costs. |

2) Serving The Lowest Income Tenants.

Points will be awarded based on the percentage of units affordable to the populations at 45, 50, and 60 percent of area median gross income.

45%

Points

- | | |
|----|---------------------|
| 1 | 0 - 10% of units. |
| 2 | 11 - 20% of units. |
| 3 | 21 - 30% of units. |
| 4 | 31 - 40% of units. |
| 5 | 41 - 50% of units. |
| 6 | 51 - 60% of units. |
| 7 | 61 - 70% of units. |
| 8 | 71 - 80% of units. |
| 9 | 81 - 90% of units. |
| 10 | 91 - 100% of units. |

For projects with rents affordable by people at 50% of area median gross income, above the 20% set-aside:

Points

- | | |
|---|---------------------|
| 3 | 21 - 50% of units. |
| 4 | 51 - 75% of units. |
| 5 | 76 - 100% of units. |

For projects with rents affordable by people at 60% of area median gross income, above the 40% set-aside:

Points

- | | |
|---|---------------------|
| 1 | 41 - 70% of units. |
| 2 | 71 - 100% of units. |

Applicants may score in only one of these three categories.

3) Extended Low Income Use

Section 42, as amended by Public Law 101-239, requires a 30 year extended use agreement with an option to sell after 15 years. Three (3) points will be added to a proposal for every additional five (5) years of low income use the applicant will commit to beyond the minimum 15 year compliance. (Maximum 9 points)

4) Accessibility To Special Needs Populations
(Maximum 5 points)

5) Public Housing Waiting Lists

A maximum five (5) points will be given to applications that contain written commitment to give priority to households on waiting lists for subsidized housing. A commitment may consist of accepting tenants receiving rental subsidies (Section 8 program) and or gross rents below the Fair Market Rent limits established by the Department of Housing and Urban Development.

Nothing in this subsection shall be construed as entitlement, for prospective applicants, to have access to waiting lists for subsidized housing.

6) Rural Location (Maximum 10 points)

7) High Cost Areas (Maximum 5 points)

Five (5) points will be awarded if the project is located in a qualified census tract or a difficult development area

B. Secondary Criteria

- 1) Participation By Local Tax-exempt Organizations
(Maximum 5 points).
- 2) Availability For Larger Families

Points are based on the percentage of units with 2 or more bedrooms.

10 points	25% or more 3+ bedroom units
5 points	50% or more 2+ bedroom units
0 points	less than 50% 2+ bedroom units

3) Density Of Units

For new construction:

0 points	51 or more
2 points	25 - 50
5 points	less than 25

For acquisition with rehabilitation:

5 points	51 or more
2 points	25 - 50
0 points	less than 25

NOTE: Rehabilitation costs must exceed \$3,000 per unit for an acquisition application to receive credits.

4) Need For Low Income Housing In The Area (5 points)

A maximum of five points may be awarded based on the applicant's ability to show a significant lack of affordable (to the population below 60% of area median gross income) rental housing in the area.

5) Sponsor Characteristics (5 points)

The applicant's experience with the tax credit program and the construction industry. No more than 50% of the total state credit allocation will be allocated to one applicant.

6) Minimize Displacement Of Existing Tenants
For Acquisition and Rehabilitation (5 points)

If there is no federal support associated with the project, and involuntary tenant relocation or displacement occurs, a comprehensive relocation plan will be necessary to receive points. Some relocation costs can be included in eligible basis.

NOTE: If there is federal support associated with a project, the applicant may be required to provide relocation/displacement assistance to existing tenants under the Uniform Relocation Act of 1970. If it is found that the Uniform Act does apply, the authority

will not allocate credits to a project without a relocation assistance plan.

7) Project Characteristics (3 points)

Elements examined may include, but are not limited to, innovative designs, appropriateness for local housing market, preservation of existing low income stock, location within the jurisdiction.

Total number of points in primary criteria:	54
Total number of points in secondary criteria:	<u>38</u>
Total points possible:	92

V. APPLICATION SUBMISSION REQUIREMENTS

Applicants must prepare a complete application form, provided by the authority before the application will be accepted for review.

Applications which do not receive at least twenty-five (25) points when ranked under the primary selection criteria will be rejected. If the application is resubmitted within the same allocation period, no additional application fee is required. An application that is resubmitted must describe how the project characteristics have changed so that it may meet the 25 point threshold for ranking.

A rejected application that is resubmitted in a subsequent allocation period must be accompanied by the application fee.

Applications for tax credit must be evaluated at three times. These evaluation periods, and the threshold requirements for each, are listed below.

A. First Evaluation - Acceptance

- 1) Complete application form.
- 2) Certification of all state, local and federal subsidies.
- 3) Evidence of site control, zoning permits and financing commitments (if applicable).
- 4) Project costs and revenue estimates.
- 5) Evidence that project construction, rehabilitation, or acquisition will start within 90 days of credit allocation.
- 6) Payment of application fee.
- 7) Preliminary evidence of the application meeting the minimum number of points under the primary criteria.
- 8) Project is eligible to receive tax credits.

If these conditions are satisfied then the application will be accepted for evaluation by the evaluation committee.

B. Second Evaluation - Conditional Allocation

- 1) Certification of all state, local and federal subsidies.
- 2) Permanent financing commitments.

- 3) Site control and all necessary federal, state, or local permits.
- 4) Updated cost and revenue projections.
- 5) Syndication or partnership agreements, if applicable.
- 6) Ranking by evaluation review committee.

Once these conditions are met, an application will be given a conditional allocation of credit.

Eligible applications not ranked high enough to receive an allocation in the period will automatically be considered in a subsequent allocation period in the same allocation year. The applicant in this event, will be notified of the status of the application and given the opportunity to amend the application.

C. Third Evaluation - Placed in Service

- 1) Certification of all state, local and federal subsidies.
- 2) Cost certification
- 3) Low income use agreement (restrictive covenant).
- 4) Certificate of occupancy/completion.
- 5) Payment of processing fees.
- 6) Compliance certification.

When the authority has received and accepted all requested documentation and required fees, and determined to its satisfaction that the applicant and project comply with all requirements of Internal Revenue Code Section 42, other applicable sections of the IRS code, and regulations adopted under the code, the authority will issue a low-income housing credit allocation certification signed by the executive director and send a copy of the certification to the applicant for its federal tax return.

VI. CLARIFICATIONS

The authority's evaluation of an application is not a warranty of the viability or feasibility of the project.

No member, officer, agent or employee of the authority may be held personally liable concerning any matters arising out of, or in relation to, the allocation of low income housing credit.

The authority may decline allocation of credits to any project regardless of its ranking under the LIHC allocation plan.

An established protest and appeal process for the allocation of tax credits, by the authority, is described in Alaska State Housing Authority regulation 3 AAC 98.310-490.

VIII. DEFINITIONS

In the LIHC Plan:

(1) "allocating agency" means the agency of the State of Alaska designated to allocate tax credit under the low income housing credit program.

(2) "authority" means the Alaska State Housing Authority.

(3) "chief executive officer" means the head of the local governmental jurisdiction in which the project applying for credits is located.

(4) "applicant" means an individual or individuals applying for tax credit on a qualified project under Section 42 of the Internal Revenue Code (LIHC program).

(5) "compliance period" means the 15 years over which a project must continue to meet various LIHC requirements in order to avoid tax credit recapture. The period begins with the first taxable year of the credit period.

(6) "low and lower income tenants" means individuals at or below 60 percent of the area median gross income established by the U.S. Department of Housing and Urban Development.

(7) "intermediary costs" include developer, syndication, attorney, architect and engineering fees.

(8) "gross rent" means the maximum rent a tenant may be charged under the LIHC Program. Gross rent includes utilities. Gross rent is calculated by multiplying the income election (60%, 50%, 40%) of area median annual gross income by 30 percent and dividing that number by twelve.

(10) "qualified non-profit" means an organization described in Internal Revenue Code secs. 501 (c)(3) and (4) and exempt from tax under sec. 501(a) if one of its exempt purposes includes fostering of low-income housing; the organization must be involved in a regular, continuous, and substantial basis in both the development and operation of the project.

(11) "rural" means a community in the 2nd, 3rd, or 4th judicial district which has a population which is less than 4,500 and is not connected by road or rail to Anchorage or Fairbanks; or a community in the 1st judicial district which has a population which is less than 4,500.

(12) "Section 8 Program" means the federally subsidized rental housing program operated by housing authorities and the U.S. Department of Housing and Urban Development. The rental

subsidy may be in the form of either certificates or vouchers.

(13) "fair market rent" means the rent payment limits established by the Department of Housing and Urban Development for recipients of Section 8 certificates and vouchers.

(14) "eligible basis" means a component of the qualified basis of an LIHC project; the eligible basis is generally equal to the cost basis of the project.

(15) "annual credit ceiling" means the annual amount established for allocation in the state under 26 U.S.C. 42(h)(93)(c). In 1990, the annual credit ceiling is equal to \$0.9375 multiplied by the state's population or 75 percent of the 1989 allocation (\$480,937.5).

(16) "special needs populations" means elderly, the physically handicapped, the mentally ill, the developmentally disabled, the homeless, or other groups that have special housing needs.

(17) "20% set-aside" means 20% of the units in the project are reserved for households whose incomes are at or below 50% of area median gross income.

(18) "40% set-aside" means 40% of the units in the project are reserved for households whose incomes are at or below 60% of area median gross income.

IX. NEEDS ASSESSMENT STATEMENT

A statewide needs assessment was made to identify the specific housing needs in Alaska. The housing needs identified are addressed in the LIHC plan. Given the scope and static nature of this assessment, local conditions within different areas of Alaska will vary over time. The LIHC plan emphasizes, and allows for, the ability of an applicant to adapt a project to the changing needs of the community. This needs assessment was prepared following a review of existing information on housing needs. The information sources are listed in the attached bibliography.

The following findings result from focusing on the population of renter households at or below 80 percent of area median gross income.

Findings

1. Although there is a high demand for low income housing in almost all of Alaska, the rural and smaller urban centers have a smaller available stock and fewer renting options. This has led to overcrowding and substandard living conditions in several rural areas of Alaska.
2. Market conditions have reduced the available supply of affordable rental housing in the coastal communities of Ketchikan, Juneau and Sitka.

There is a large surplus of low cost rental housing in Anchorage. However, they are typically not large units.

The rental market in Fairbanks has stabilized and is beginning to tighten reducing options for low income residents.

3. Units for larger families are in the most demand. ASHA had 2,326 families on waiting lists statewide on 12-31-89. Forty-three percent of these families were eligible for 2 bedroom units, 30 percent for 3 bedroom units, 17 percent for 1 bedroom units and 3.5 percent for 4 or more bedrooms.
4. There is a need for housing special needs populations: the homeless, the elderly, people with disabilities, chronically mentally ill, victims of domestic violence, etc.
5. The areas that have the greatest percentage of people below 60 percent of area median are Bethel, Cordova, Valdez, Kodiak, and Nome (1980 census).
6. The largest waiting lists (as percent of available units) for ASHA low rent and Section 8 housing assistance are in

small urban areas: Wasilla, Kodiak, Petersburg, and Ketchikan.

7. Statewide there were 1,143 people on the waiting lists for low rent housing managed by housing authorities at the end of 1989. There were another 1,379 waiting for Section 8 certificates or vouchers.
8. Current demand for low rent housing under Indian Housing Authority (IHA) jurisdiction is limited to the larger urban centers. IHA's have a total of 300 people on low rent waiting lists around the state, compared to 596 units. The authorities with the largest waiting lists are in Bethel, Kodiak, Juneau, and Kotzebue.
9. The Farmers Home Administration has designated three areas in Alaska as "needy" for the allocation of funds under the Section 515 housing program. Those areas are the northern, southcentral (except Anchorage) and southeast regions.

To date, the Section 515 program has produced 750 units of low income housing in Alaska. There are 435 units that are rent restricted to 30% of income, the remainder (315) are low rent, with rents determined by a special loan financing program. An inventory of Section 515 projects is attached.

10. The population of smaller urban areas and rural areas is increasing faster than the major urban areas. Assuming this growth rate is the same for all levels of income, the low income population, in these areas, will have an increasingly greater need for affordable housing.

BIBLIOGRAPHY

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Comprehensive Homeless Assistance Plan. Rural Development Division. Alaska Department of Community and Regional Affairs. February, 1989.

Draft Allocation Plans From Selected States. Workshop materials from: "Evaluating Tax Credit Projects", National Council of State Housing Agencies, Denver. January 1990.

Evaluation of Policy Options Concerning the Future of the Alaska Housing Finance Corporation. Ernst & Young. January 1990.

Housing Program Statistics, Waiting List Status Reports and Development Unit Descriptions. Alaska State Housing Authority. January, 1990.

"Income Characteristics For Counties - Alaska." U.S. Department of Labor, 1980 Census, pp. 3:170-174

1988 Rural Housing Needs Assessment Study. Alaska Department of Community and Regional Affairs. March 1988.

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"Omnibus Budget Reconciliation Act of 1989". 101st Congress of the U.S.. December 1989, Section 7108.

Personal Communication. Conversations with 14 Indian Housing Authority staff on low rent and mutual help housing program waiting lists.

Personal Communication. Kathie Dexter, Director of Housing Management, Alaska State Housing Authority.

Personal Communication. Ron Abott, State Manager 515 Program, Farmers Home Administration

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State Housing Policy For The 1990's. Alaska Housing Market Council. January 1990.

Senior Housing Report. Older Alaskans Commission.
September 1989.

APPENDIX

**Areas With Population Increases Greater Than
The State Average (1980-1988) of 32.1 Percent.**

Lower Kuskokwim Census Subarea	92.2%
Bristol Bay Borough	32.6%
Dillingham	43.0%
FNSB - areas outside of Fbx and North Pole	50.4%
Homer	96.4%
Kenai	51.3%
Soldotna	60.1%
Seward	33.6%
Kenai Borough	58.0%
Kodiak	39.8%
Palmer	39.6%
Wasilla	114.4%
Mat-Su Borough	113.2%
Nome	33.8%
Barrow	38.7%
Prince Wales Census Area	58.5%

Source: State Department of Labor, Research and Analysis
Section, 1989.

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**Farmers Home Administration
Section 515 Inventory
Statewide**

City	# where tenant pays 30%.	Low Rent Units	Total Number of Units
Cordova	19	1	20
Dillingham	0	8	8
Douglas	0	22	22
Eagle River	40	18	58
Haines	0	4	4
Homer	43	13	56
Hydaburg	0	12	12
Juneau	0	24	24
Kake	0	4	4
Kenai	42	74	116
Ketchikan	50	12	62
Kodiak	31	27	58
North Pole	26	5	31
Palmer	74	8	82
Petersburg	0	24	24
Sand Pt.	0	6	6
Seward	48	12	60
Sitka	10	30	40
Soldotna	28	11	39
Wrangell	24	0	24
Total:	435	315	750

Source: Farmers Home Administration, February 1990.

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Waiting List Descriptive Statistics

% of Total Low Inc*	% of To. Low Inc. Waiting*	% of Low Rent Stock*	% of Low Rent Wait. List*	% of Sec. 8 Existing Cert./Vou	% of Sec. 8 Existing Waiting L.	% of Pop. By Area 1988 est.	% of people <60% 1980 Census	% of Total Pop 1980 Cen.	% of Total Pop. 1988 est.*	City
47.13%	49.26%	29.59%	43.39%	62.04%	53.48%	42.0%	24.7%	43.4%	42.0%	Anchorage
2.55%	1.90%	6.08%	4.37%			0.8%	38.5%	2.7%	2.5%	Bethel
0.83%	0.04%	0.83%	0.00%			0.4%	37.6%	2.1%	1.6%	Cordova
9.40%	8.88%	10.14%	3.41%	5.97%	12.67%	5.3%	32.3%	13.4%	13.6%	Fairbanks
6.91%	8.31%	8.42%	4.72%	6.60%	12.22%	4.6%	29.1%	4.9%	4.6%	Juneau
2.73%	7.40%	3.85%	7.26%	2.17%	8.30%	1.5%	34.5%	2.8%	2.4%	Ketchikan
0.87%	1.63%	2.08%	3.76%			1.3%	37.5%	2.5%	2.5%	Kodiak
0.70%	0.61%	1.66%	1.40%			0.6%	37.2%	1.5%	1.5%	Nome
0.57%	0.80%	0.62%	0.44%	0.60%	1.19%	0.6%	27.0%	1.5%	1.3%	Petersburg
1.50%	0.99%	2.29%	2.27%	1.07%	0.00%	1.6%	30.0%	1.9%	1.6%	Sitka
0.74%	0.87%	0.73%	1.05%	0.85%	0.81%	0.6%	37.6%	2.1%	1.6%	Valdez
0.70%	1.25%	1.66%	2.89%			0.6%	31.1%	4.4%	0.6%	Wasilla
1.13%	0.42%	1.04%	0.52%			0.5%	27.0%	1.5%	1.3%	Wrangell
5.14%	1.40%			10.06%	2.74%	1.9%	32.7%	1.7%	1.9%	Kenai/Soldotna
4.36%	4.06%			8.52%	7.93%	7.2%	31.1%	4.4%	7.2%	MAT/SU
0.65%	0.11%					0.5%	32.7%	0.7%	0.5%	Seward
1.09%	0.34%			2.13%	0.67%	0.8%	32.7%	0.5%	0.8%	Homer
*INCLUDES IHAs										
										*(DOL)

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As of: 2/1/90

Number Of People On The Waiting List

Housing Authority	Low Rent Available	Low Rent Waiting	Mutual Available	Mutual Waiting	Section 8 Waiting
Aleut	14	0	238	141	
ASRC	71	30	71	124	
AVCP	43	46	1004	250	
Barter Island	10	0	40	55	
Bering Straits	20	7	287	149	
Bristol Bay	0 *		0 **		
Cook Inlet	172	45	213	140	
Copper River	44	0	62	0	
Interior	0	0	43	90	
Kodiak	43	31	242	30	29
Metlakatla	40	5	44	95	
Northwest	43	39	298	72	
North Pacific Rim	24	2	136	61	
Tlingit-Haida	67	75	568	225	
Sub Total	596	280	3,246	1,432	29

(Totals don't include Bristol Bay)

The waiting lists for Low Rent are for the large communities like Bethel, Nome, Dillingham, etc.

-- Very few, if any, of the low rent units are in the villages within each jurisdiction.

Source: Authority Staff, AHMC

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ALASKA STATE HOUSING AUTHORITY WAITING LISTS

As of 12-31-90

City	Sec. 8		Sec. 8.		Low		Sec. 8		Waiting	Stock
	New	Exist.	AA	Exist	Rent	Exist	Exist	Exist		
	WL	Units	WL	Units	WL	Units	WL	C & V	Total	Total
Anchorage	80	137	0	0	496	569	722	1,456	1,298	2,162
Bethel					50	117			50	117
Cordova	1	22				16			1	38
Fairbanks	24	96			39	195	171	140	234	431
Juneau					54	162	165	155	219	317
Ketchikan					83	74	112	51	195	125
Kodiak					43	40			43	40
Nome					16	32			16	32
Petersburg					5	12	16	14	21	26
Sitka					25	44		25	26	69
Valdez					12	14	11	20	23	34
Wasilla					33	32			33	32
Wrangell			5	32	6	20			11	52
Kenai/Soldotna							37	236	37	236
MAT/SU							107	200	107	200
Seward	3	30							3	30
Homer							9	50	9	50
Subtotal	108	285	5	32	863	1,327	1,350	2,347	2,326	3,991

Total

Sec. 8 New	Sec. 8 AA	Low Rent	Sec. 8 Exist.	Mutual Help
108	5	1,143	1,379	1,432

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(d) For the purposes of sec. 525(a)(4), (5) and (6) of this chapter, the term "employment" does not apply to service performed

(1) by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by the order;

(2) in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who, because of their impaired physical or mental capacity, cannot be readily absorbed in the competitive labor market by an individual receiving the rehabilitation or remunerative work;

(3) as part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any federal agency or any agency of a state or political subdivision thereof, by an individual receiving work relief or work training;

(4) for a state hospital by an inmate of a prison or correctional institution;

(5) in the employ of a school, college, or university, if the service is performed by a student who is enrolled and is regularly attending classes at the school, college or university;

(6) by an individual under the age of 22 who is enrolled at a nonprofit or public educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on as a student in a full-time program, taken for credit at the institution, which combines academic instruction with work experience, if the service is an integral part of the program, and the institution has so certified to the employer, except that this paragraph does not apply to service performed in a program established for or on behalf of an employer or group of employers;

(7) in the employ of a hospital, if the service is performed by a patient of the hospital, as defined in sec. 520 of this chapter.

* Sec. 16. AS 23.20.380(6), (7) and (8) are repealed.

* Sec. 17. This Act takes effect January 1, 1972.



LAWS OF ALASKA

Source

HB 167 am

Chapter No.

107

AN ACT

To provide financing and development of housing for persons of lower income and to create an Alaska Housing Finance Corporation; and providing for an effective date.

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

* Section 1. AS 18 is amended by adding a new chapter to read:

CHAPTER 56. ALASKA HOUSING FINANCE CORPORATION.

Sec. 18.56.010. FINDINGS AND PURPOSE. (a) There exists within the state a serious shortage of decent, safe and sanitary residential housing available at low prices or rentals to persons of lower income. This shortage is inimical to the safety, health, welfare and prosperity of the residents of the state and to the sound growth of urban and rural communities.

(b) The legislature finds and declares that private enterprise has not been able to provide, without assistance, an adequate supply of safe and sanitary homes at prices or rents which persons of lower income can afford, or to achieve rehabilitation of much of the present housing for persons of lower income, and that existing federal programs are inadequate to meet housing needs of persons of lower income. It is imperative that the supply of housing for persons of lower income be increased and that coordination and cooperation among private enterprise, state and local government be encouraged to sponsor, build and rehabilitate residential housing for these persons.

(c) The legislature finds and declares further that, in accomplishing this purpose, the creation of the Alaska Housing Finance Corporation is essential to assist in the acquisition and development of land and the construction, rehabilitation, financing, management, maintenance, sale

marine communications in the state.

Sec. 30.07.030. PENALTIES. A master or owner of a vessel in operation which is in violation of this chapter, or a regulation promulgated under it, is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than \$1,000. Each day the violation continues constitutes a separate offense under this section.



LAWS OF ALASKA

Source

CSHB 547

Chapter No.

81

AN ACT

To provide financing and development of housing for persons of moderate income; and providing for an effective date.

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

* Section 1. AS 18.56.010 is amended to read:

Sec. 18.56.010. FINDINGS AND PURPOSE. (a) There exists within the state a serious shortage of decent, safe and sanitary residential housing available at low or moderate prices or rentals to persons of lower and moderate income. There also exist within the state remote, underdeveloped or blighted areas where the development of decent, safe and sanitary housing is necessary to economic growth. These conditions are inimical to the safety, health, welfare and prosperity of the residents of the state and to the sound growth of urban and rural communities.

(b) The legislature finds and declares that private enterprise has not been able to provide, without assistance, an adequate supply of safe and sanitary homes at prices or rents which persons of lower and moderate income can afford, or to achieve rehabilitation of much of the present housing for persons of lower and moderate income, or to provide without assistance the housing necessary to promote the economic growth of remote, underdeveloped or blighted areas, and that existing state and federal programs are inadequate to meet housing needs of persons of lower and moderate income or of remote, underdeveloped or blighted areas. It is imperative that the supply of housing for persons of lower and moderate income and the housing necessary to promote the economic growth of remote, underdeveloped or blighted areas be increased and that coordination and co-operation among private enterprise, state and local government be encouraged to sponsor, build and rehabilitate residential housing for these persons.



LAWS OF ALASKA

Source

HCS CSSB 289 am H

Chapter No.

151

AN ACT

Relating to housing and to political subdivisions of the state involved in housing; and providing for an effective date.

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

■ Section 1. AS 18.55.100 is amended by adding a new subsection to read:

(c) Any two or more authorities may join or cooperate with one another in the exercise of any or all of the power conferred by the housing authorities law for the purpose of financing, planning, undertaking, constructing or operating a housing project or projects located within the area of operation of one or more of the authorities.

■ Sec. 2. AS 18.55.995 is amended to read:

Sec. 18.55.995. PURPOSE AND INTENT. The legislature finds that an acute shortage of housing and related facilities exists in the villages of Alaska and that adequate housing cannot be provided by the private sector due to the economic depression which exists in most villages of Alaska. It is the purpose and intent of the legislature to provide a means for certain native associations to form public corporations with the powers and duties comparable to the Alaska State Housing Authority.

■ Sec. 3. AS 18.55.996(b) is amended to read:

(b) There is created with respect to each of the associations named in (a) of this section a public body corporate and politic to function in the operating area of the individual associations to be known as the regional housing authority of the associations possessing all powers, rights and functions now or subsequently specified for the Alaska State Housing Authority, under the Alaska State

(b) For purposes of determining payments to eligible persons, the department shall calculate a property tax equivalent percentage for each home rule or general law municipality, which levies a general property tax, at the rate of 1/2 per cent per mil. This percentage applied to the annual rent charged to the applicant or \$375, whichever is less is the property tax equivalency payment.

(c) To obtain tax equivalency payments the eligible resident must apply to the department for payment for the preceding year by January 15 of each year on forms and in the manner prescribed by the department. Each applicant shall submit with the application rental receipts or, if rental receipts are not available, other evidence satisfactory to the department for determination of the fact of payment of rent and the amount paid.

(d) If two or more persons occupy a residence as tenants, not all of whom are eligible for tax equivalency payments under this section, the assessor shall determine equitable partial payments to be made to the eligible tenants. However, tax equivalency payments to an eligible applicant may not be reduced because the spouse is less than 65 years of age. If all occupants in a residence are eligible for tax equivalency payments under this section, the occupants shall decide between and among themselves which shall receive payment.



LAWS OF ALASKA

Source

HCSSB 724 am H

Chapter No.

218

AN ACT

Making corrective amendments in the Alaska Statutes as recommended by the revisor of statutes; and providing for an effective date.

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

* Section 1. AS 14.17.140 is amended to read:

Sec. 14.17.140. DETERMINATION OF FULL AND TRUE VALUE BY DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. To determine the equalized percentage to be applied to basic need under sec. 21 of this chapter, and the matching ratio for required local effort under sec. 71 of this chapter, the Department of Community and Regional Affairs, in consultation with the assessor for each district, shall determine the full value of the taxable real and personal property in each district. Exemptions granted under ch. 129, SLA 1957, known as the Alaska Industrial Incentive Act (AS 43.25), shall be honored. If there is no local assessor or current local assessment for a district, then the Department of Community and Regional Affairs shall make the determination of full value from information available. In making the determination, the Department of Community and Regional Affairs shall be guided by AS 29.53.060. The determination of full value shall be made before October 1 and sent by certified mail, return receipt requested, before that date to the president of the school board in each district. Duplicate copies shall be sent to the commissioner. The governing body of the borough or city which is the district may obtain judicial review of the determination by filing a motion in the superior court of the judicial district in which the district is located within 30 days after receipt of the determination. The superior court may modify the determination of the Department of Community and Regional Affairs only upon a finding of abuse of discretion or upon a finding that there is no substantial evidence to support the determination.

1 only to persons imprisoned for crimes committed on or after the effective
2 date of this Act.

3 (e) AS 33.20.010, as re-enacted in sec. 17 of this Act, applies to
4 persons serving terms of imprisonment in state correctional institutions
5 or after the effective date of this Act, but is not retroactive in ap-
6 plication.

7 (f) Sections 1 - 12 of this Act do not apply to or govern the con-
8 struction of and punishment for any offense committed before the effective
9 date of this Act or the construction or application of any defense to
10 prosecution for the offense. An offense shall be construed and punished
11 according to the law existing at the time of the commission of the offense
12 in the same manner as if this Act had not become law.

13 * Sec. 24. AS 12.55.088, enacted in sec. 12 of this Act, changes
14 Rule 35 of the Alaska Rules of Criminal Procedure by defining additional
15 circumstances without regard to time limit wherein a defendant's sentence
16 may be modified or reduced.

17 * Sec. 25. This Act takes effect January 1, 1980.
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-120-

28 Approved by the Governor: July 17, 1978
29 Actual Effective Date: January 1, 1980
30



Source

HCSSB 351

LAWS OF ALASKA

Chapter No.

167

AN ACT

relating to the housing programs of public corporations of the
state; and providing for an effective date.

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

* Section 1. AS 18.56.030 is repealed and re-enacted to
read:

Sec. 18.56.030. CORPORATION GOVERNING BODY. (a) The
corporation shall be governed by a board of directors. The
board of directors of the corporation consists of the
commissioner of the Department of Commerce and Economic
Development and six members appointed by the governor.

(b) Members appointed by the governor serve for
three-year terms. The terms of two members appointed by
the governor expire on April 30 annually.

(c) If a vacancy occurs among the public members
appointed by the governor, the governor shall make an
appointment, to become effective immediately, for the
unexpired portion of the term.

(d) Members of the board of directors serve without
compensation except that each member may be reimbursed by
the corporation for actual and necessary expenses at the
same rate as set out in AS 39.20.180.

* Sec. 2. AS 18.56.050 is amended to read:

Sec. 18.56.050. ADMINISTRATION OF AFFAIRS. The board
shall manage the assets and business of the corporation and
may prescribe, amend and repeal bylaws and regulations
governing the manner in which the business of the corpora-
tion is conducted and the manner in which its powers are
exercised. The board shall delegate supervision of the

Chapter

Chapter 71

ties in place of dollar matching up to 50 per cent of its annual requests. The commissioner shall determine when local resources are insufficient to allow the community to match the amount of state aid requested under (a) of this section, and shall approve the reasonableness of the value assigned the donations by the fair.

(d) Premiums and prizes that qualify for listing for allocation purposes under this section shall be those paid for exhibits and educational contests, displays, and demonstrations of an educational nature. This does not include prizes or premiums for promotion or entertainment activities such as queen contests, parades, dances, rodeos, or races. A listing of fund allocations under this section containing the names of all premium and prize winners, including the amount and value of all awards, shall be maintained by the fair association.

* Sec. 3. AS 03.20.080 is amended by adding a new paragraph to read:

(2) "agricultural and industrial fair" means a fair, the major focus of which is displays, exhibitions, demonstrations, contests or promotions of agricultural or industrial concern to the region in which the fair is located, or any fair which, before the effective date of this Act, has received a grant under this chapter.

* Sec. 4. This Act takes effect July 1, 1980.



LAWS OF ALASKA

Source

FCCSHB 20

Chapter No.

72

AN ACT

Relating to state loan programs and the loan programs of state agencies; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 10

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: May 31, 1979
Actual Effective Date: June 1, 1979; Sections 1, 3, 5, 7, 9,
10 and 13 retroactive to July 1, 1978



LAWS OF ALASKA

Source

FCCSSB 1

Chapter No.

106

AN ACT

Relating to state loan programs, state mortgage programs, and state revenue bonding programs; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 10

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: June 20, 1980
Actual Effective Date: Sections 1 - 12, 15 - 41, 43 - 48, 51, 53 - 77, and 79 - 83 take effect June 21, 1980 with section 7 retroactive to June 19, 1976; sections 13, 49 and 52 take effect July 1, 1980; sections 42 and 78 take effect August 20, 1980; sections 14 and 50 take effect on the effective date of an amendment to the state constitution providing for legislative confirmation of appointments as provided in those sections.

Chapter 114

(1) Except as provided in (j) of this section, an individual is not eligible for extended benefits for a week of unemployment if

(1) the individual files a claim for extended benefits which are payable under this chapter for that week;

(2) the claim is an interstate claim filed in any state in accordance with the interstate benefit payment arrangement under AS 23.20.085; and

(3) an extended benefit period is not in effect for the week in the state in which the interstate claim is filed.

(j) Subsection (i) of this section does not apply to the first two weeks for which extended benefits are payable to an individual (determined without regard to (i) of this section) under an interstate claim filed in accordance with AS 23.20.085.

* Sec. 7. Section 1 of this Act is retroactive to January 1, 1981.



LAWS OF ALASKA

Source

FCCSSB 148

Chapter No.

115

AN ACT

Relating to state loan programs under the Alaska Housing Finance Corporation, the Department of Community and Regional Affairs, and the Alaska Industrial Development Authority; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 12

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: July 27, 1981
Actual Effective Date: July 28, 1981

Chapter 112

the state to work as an independent contractor or a person who is in the custody of the state.

* Sec. 19. AS 39.25 is amended by adding a new section to article 6 to read:

Sec. 39.25.178. EMPLOYEE POLITICAL RIGHTS. A state employee may

(1) be a member of a national, state, or local political party;

(2) take part in a political campaign;

(3) express political opinions; however, while engaged in official business, a state employee may not display or distribute partisan political material;

(4) register party preference;

(5) serve as a voting or nonvoting delegate to a party convention;

(6) be appointed, nominated, or elected to nonpartisan public office in a local government unit; and

(7) make contributions to a political party or a candidate for public office.

* Sec. 20. AS 39.25.180 is repealed.

* Sec. 21. This Act takes effect July 1, 1982.



LAWS OF ALASKA

Source

CCSSB 666

Chapter No.

113

AN ACT

Relating to certain state loan and grant programs; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9

UNDERLINE MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: June 24, 1982
Actual Effective Date: Sections 1 - 20, 24 - 27, 32 - 72 and 74 take effect June 25, 1982; sections 21 - 23 and 28 - 30 take effect on the date of approval by the voters of the state of a constitutional amendment to art. IX, sec. 8 of the Constitution of the State of Alaska to allow the state to contract debt for housing loans for veterans; section 31 takes effect January 1, 1983; and section 73 takes effect on the day after the transfer of funds by the Alaska Industrial Development Authority to the state general fund is made under sec. 69(j) of this chapter, or, if there are no funds available to make the transfer, on the 61st day after all multifamily housing loans that have been made from the multifamily housing loan account of the enterprise development fund of the Alaska Industrial Development Authority are discharged or are considered to be discharged under sec. 69(i) of this chapter.

Chapter 127

January 9, 1984, [THE PROVISIONS OF AS 14.17 NOTWITHSTANDING,] the amount of [BASIC] state aid to each school district and regional educational attendance area under the public school foundation program [AS CALCULATED BY FISCAL YEAR 1984 REVISED AVERAGE DAILY MEMBERSHIP CALCULATIONS,] beginning in fiscal year 1985, shall be the amount set out in sec. 6 of this Act, multiplied by the average daily membership reported by the district under AS 14.17.170 for fiscal year 1984, with a cost-of-living adjustment of four percent. The state aid for fiscal year 1985 shall also be adjusted to reflect the revised average daily membership reported by the district under AS 14.17.170 for fiscal year 1985 [ADJUSTED AND IDENTIFIED IN JANUARY 1984 TO REFLECT THE CHANGE IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE ANCHORAGE METROPOLITAN AREA COMPILED BY THE BUREAU OF LABOR STATISTICS, UNITED STATES DEPARTMENT OF LABOR IN JANUARY 1984, FOR THE PRECEDING TWELVE-MONTH PERIOD. THE INDEX FOR JANUARY 1983 IS THE REFERENCE INDEX].

* Sec. 3. If the appropriations for state aid to school districts are insufficient to meet the allocations authorized under this Act for fiscal year 1985, the available funds shall be distributed on a pro rata basis among school districts.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.070(c).



LAWS OF ALASKA

Source

SCS CSHB 663(Fin) am S

Chapter No.

128

AN ACT

Relating to certain state housing loan programs; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: June 21, 1984
Actual Effective Date: July 1, 1984

Keep

February 1, 1990

Repr. C. E. Swackhammer
Alaska Housing Finance Task Force
Alaska State Legislature
P. O. Box V
Juneau, AK 99811

Dear Repr. Swackhammer,

We are residents and owners of units in Greentree Village Condominium in Independence Park in south Anchorage, which is a project of 48 units. The Greentree Village Condominium Association, Inc. is one of 21 plaintiff condominium associations involved in a suit against the Alaska Housing Finance Corporation (AHFC). We are writing to you to express our concern about the condition of the condominium housing market.

As background information for our comments, prior to 1980, AHFC was a small player in the mortgage market. It made about 20% of the loans in the state. Its programs were primarily for lower and middle income individuals. The statute that controlled AHFC, known as the General Mortgage Loan Purchase Program, (AS 18.56.) prohibited AHFC from denying loans - except for mobile homes - based on owner/occupancy. This statute is still valid.

In 1980, the Legislature created what was known as the Special Mortgage Loan Purchase Program when it enacted AS 18.56.098. The statute enabled AHFC to issue its bonds through the Federal National Mortgage Association (FNMA). Prior to that date, AHFC issued its own bonds exclusively and its programs were tailored to Alaskan needs. FNMA's programs are the same throughout the nation. Consequently, AHFC's programs became increasingly standardized. Additionally, AHFC was given a great deal of money to invest. The earnings from this money were used to subsidize the interest rates on all loans and to fund programs, such as the HOF Program. By statute, the subsidy would reduce interest rates on a typical loan by up to 3% when rates were above 10%. Since rates were high in the early 80's, AHFC's subsidized loans quickly drove almost everyone out of the mortgage market.

The net effect on AHFC has been that it is largely uninterested in making loans other than those that meet FNMA or Federal Home Loan Mortgage Company (FHLMC) guidelines. Since the loans are sold without recourse to those institutions, FNMA or FHLMC bear any loss in the event of a foreclosure. Thus, AHFC

has no incentive to finance loans that do not conform to those institutions' guidelines. The owner/occupancy ratio of AHFC is, in fact, a FHLMC guideline.

We feel that the principle focus of the Task Force should be to determine how to amend the laws governing AHFC so as to make it more responsive to our needs. Basically, we see three choices: (1) leave AHFC as it is; (2) repeal the Special Mortgage Loan Program and, thus, in effect, cut AHFC down to what it was in the 70's; or (3) repeal the subsidy and hope that AHFC becomes more competitive and develops programs tailored to Alaska's needs.

The decision of how to restructure AHFC is yours, but please consider amending Title 18.56 by prohibiting AHFC from refusing to finance a loan to an otherwise creditworthy owner/occupant based on the project's owner/occupancy ratio.

We all are aware of the magnitude of the problem. In September, AHFC's statewide list of condominiums showed about 40 projects eligible for financing, about the same number were conditionally approved for financing, while 243 projects were ineligible for financing. Investors have been able to purchase units in bulk sales at bargain basement prices (between 10-15% of the original sales price). In the near future, a bulk sale by AHFC's insurer to a single investor, of 19 units of the Greentree Village Condominium, will close. Just assuming that only those 19 units, out of the total 48 units in our project, will be investment rentals, then 39.6% of the project will be nonowner occupied units. This 39.6% figure does not include the individual sales to investors for rental purposes, which would obviously increase the percentage. Through no fault of their own, or of the Association, the owner/occupants of Greentree Village are prisoners in their units because Greentree Village Condominium does not qualify, or will it be eligible in the foreseeable future for AHFC financing under the owner/occupancy rule as it currently stands.

Our condominium Declaration and the law provides that the Association cannot substantially restrict the leasing of units. Additionally, not only does the FNMA form condominium rider, which was attached to most AHFC mortgages, prohibits unit owners from voting for any amendment to the condominium documents that would in any way adversely affect a mortgagee's security, our Association is further restricted because it must obtain the consent of 100% of the mortgagees in order to materially amend the declaration. The owner/occupancy ratio is unfair to current owner/occupants of units who may want to sell their units but are unable to do so because the project is ineligible for AHFC financing.

It is our opinion that the condominium market will not recover until the owner/occupancy problem is resolved. Thank you for your consideration.

Very truly yours,
GREENTREE VILLAGE CONDOMINIUM
ASSOCIATION BOARD OF DIRECTORS

By: Mary Rubeta Todd
President

cc: Alaska Housing Finance
Task Force Committee
Members



ALASKA

16th
LEGISLATURE

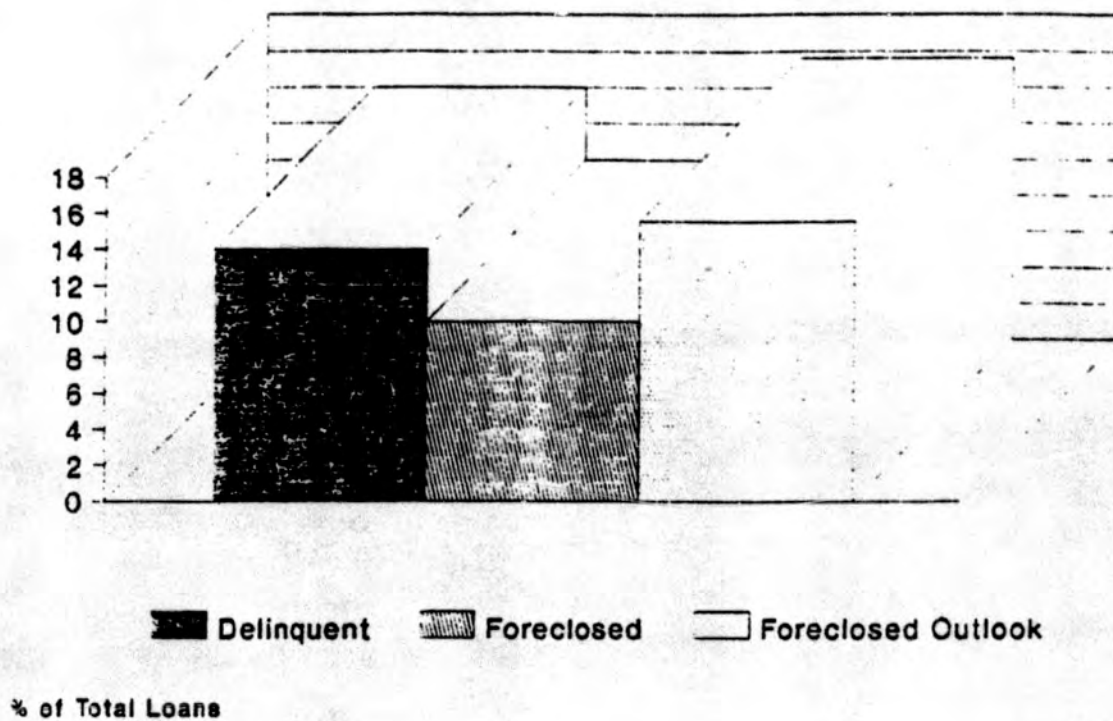
State Loan Programs

Presentation

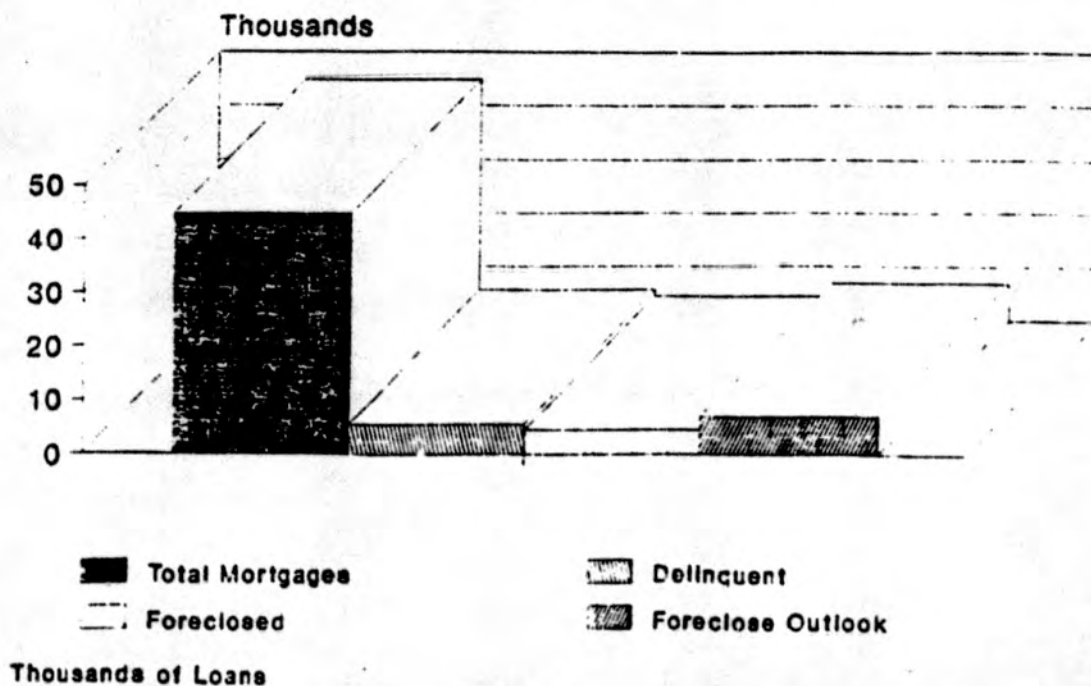
HOUSE FINANCE COMMITTEE

REP. C.E. SWACKHAMMER

AHFC Non-Performing



AHFC Status Comparison



AHFC OVERVIEW AND RECOMMENDATION

DISCUSSION

- * AHFC has received \$1.03 billion in direct state appropriations since 1981. It's total assets, \$5.8 billion, are second only to the Permanent Fund. AHFC holds a total of 44,815 mortgage loans throughout the state so any policy decision affects a tremendous number of people.
- * If AHFC continues to proceed with "business as usual" it is headed for insolvency. Loan receipts do not equal operations and debt service. The corporation is living off it's earnings on investments. A five year liquidity projection produced by AHFC itself shows it's liquid assets declining by 30%.
- * Changes must take place to prevent the AHFC situation from worsening. Because of the size of the corporation and it's dominance in the already precarious housing market any changes to the corporation must be well thought out and implemented carefully over a three to five year period.
- * A third party must be brought in to perform a professional business valuation on the Corp. as well as an analysis of the segments of the corp. and the profitability of each.
- * Legislative staff as well as AHFC personnel must be involved to identify options and develop a long term plan that effectively refocuses AHFC on it's original purpose of providing mortgage funds to low and moderate income people. AHFC must reduce it's presence in the housing market to allow for a more diverse supply of capital from the private sector to service the mortgage demand.

AHFC OVERVIEW AND RECOMMENDATION

OPTIONS:

Restructure:

Provide for the state to receive a return on its investment equivalent to an annual dividend or interest payment. This would recognize the state's \$1 billion investment in AHFC and the fact that AHFC has retained earnings of more than \$500 million. Investment of this money would have returned at least % if it had been managed by the state treasury or been deposited in the Permanent Fund during the same period.

Downsize:

Reduce AHFC presence in the real estate market by returning AHFC to its original purpose of providing mortgage funds to low and moderate income people only. The original purpose also focused on servicing remote, blighted, and underdeveloped areas. A lower profile for AHFC would allow for a more diverse supply of capital to meet mortgage demand.

Phase Out:

Slowly remove AHFC from the market altogether allowing other sources to replace it entirely. The first step would be to reduce and finally eliminate interest rate subsidies. This would also involve step-by-step termination of certain specialized programs within AHFC.

Privatize:

Keep AHFC intact as a corporation but transfer it to private ownership. This could be accomplished through a series of public stock offerings, through a negotiated sale or by auction. This would entail transfer of some assets to other state entities prior to any sale transaction.

AHFC OVERVIEW AND RECOMMENDATION

IMPLICATIONS:

- * AHFC, the state, and the Alaska real estate market will be affected by each of the options outlined. The implications promise to be complex and far-reaching because of the depth and breadth of AHFC's involvement in the Alaska real estate market.
- * In order to determine the short-term and long-term implications of options for change, an intensive review of AHFC operations will be necessary. Expert assistance from the mortgage banking and investment banking communities as well as from federal mortgage program specialists will be required.
- * Restructure, downsizing, and phase out will require statutory revisions and have legal implications with regard to the bond market.
- * The privatization option presents a particular challenge because of the magnitude of AHFC assets and liabilities. With assets of \$5.8 billion and liabilities of \$4 billion only the Permanent Fund is larger. Transfer to private ownership will require long-term effort including:
 1. Market review
 - obtain free advice from knowledgeable sources
 - previous AHFC underwriters
 - AHFC bond counsel/financial advisor
 - other experienced consultants
 - engage consultant to perform market review
 - up to \$50,000 for report on options
 - market only, not AHFC specific
 - analysis of comparable transactions
 2. AHFC Valuation
 - engage investment banking or securities firm
 - estimated cost \$200,000 to \$1 million
 - estimated timeframe 6 to 12 months
 - determine sale price of AHFC
 - analyze profitability of programs and operations
 - identify potential buyers
 - strategies for sale
 - public stock offering
 - separate sale of segments/assets
 - sale of entire entity
 - merger (FannieMae etc.)

AHFC OVERVIEW AND RECOMMENDATION

RECOMMENDATION

A working group consisting of legislative staff, AHFC personnel, and outside consultants should be formed to work through the interim. The group's task will be to develop a long range plan to restructure AHFC. The plan will provide clear direction on implementing changes over a three to five year period.

Legislative staff will focus on developing a realistic long range plan. This staff will work on legislation and statutory revisions necessary to implement agreed upon changes.

AHFC personnel will provide the corporation's perspective and to assist in developing workable options.

Outside consultants are necessary to provide objective, expert assistance pertinent to investment and mortgage banking as well as federal mortgage programs.

STATE LOAN PROGRAMS

HOUSING ASSISTANCE REVOLVING LOAN FUND

This loan program's objective is to ensure that rural Alaskans have access to safe, affordable housing of good quality through the provision of loan funds to the private sector. To meet this objective, the Housing Assistance division underwrites loans that focus on the development of rural housing.

In addition to underwriting loans through local financial institutions, the loan program has seven regional offices. These offices are located in Anchorage, Juneau, Bethel, Dillingham, Nome, and Kotzebue. These offices administer the regional programs as well as implement other state programs.

(In Thousands of Dollars)

FY89 Balance	3.004.9
FY90 Income	25,936.1
FY90 Loan Demand	-26,001.0
FY90 Operating	-2,932.7
FY90 Available Balance	7.3

STATE LOAN PROGRAMS

RESIDENTIAL ENERGY CONSERVATION REVOLVING LOAN FUND

The purpose of this loan program is to promote the conservation of energy resources by providing long-term low interest loans for the purchasing, constructing, or installing of energy conservation improvements in residential buildings.

No new loans are currently being processed due to restricted funds.

(In Thousands of Dollars)

FY89 Balance	19.4
FY90 Income	602.5
FY90 Loan Demand	0
FY90 Operating	-278.5
FY90 Available Balance	343.4

DEPT C + EcD

REPRESENTATIVE
C.E. "SWACK" SWACKHAMMER

Alaska State Legislature



House of Representatives

SOLDOTNA
312 TYEE STREET
SOLDOTNA, ALASKA 99699
(907) 262-7841

JUNEAU
BOX V
JUNEAU, ALASKA 99811
(907) 465-2689

MEMORANDUM

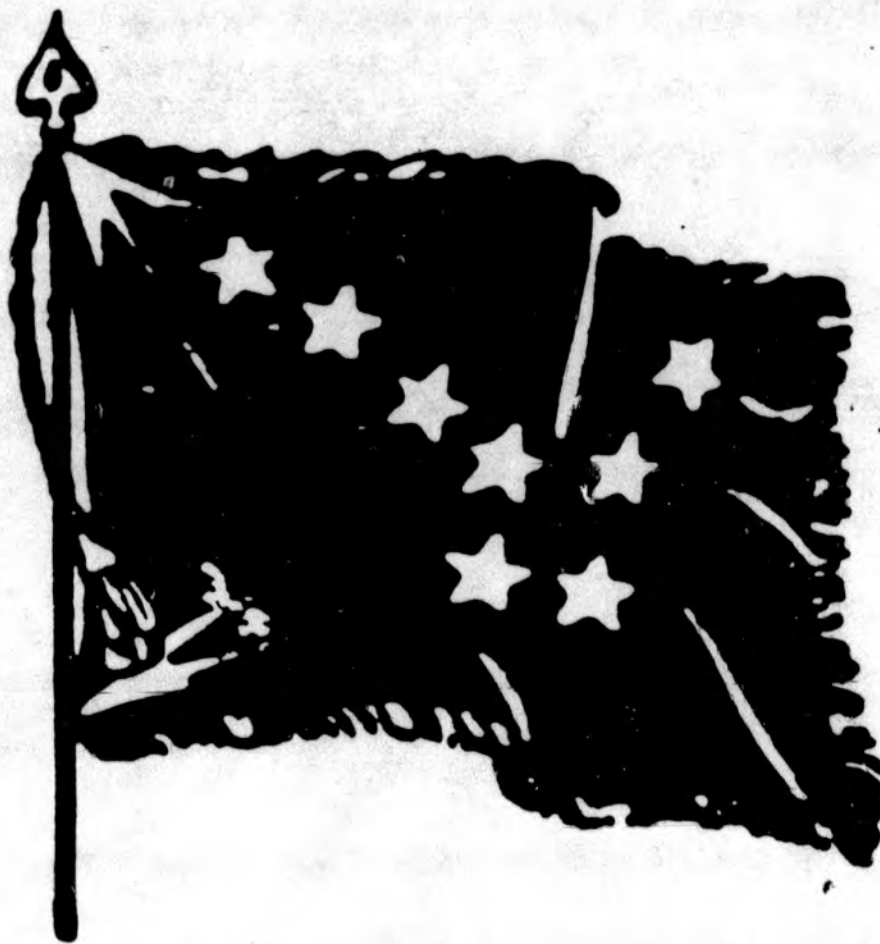
TO: Membership, Housing Finance Task Force
FROM: Rep. C.E. Swackhammer, Chair, HPTF
DATE: August 18, 1989
TOPIC: State Veteran's Loans

Swack

Attached is the loan "packet" used for state veterans wishing to attain mortgages through the state loan program.

As noted, it is through the Dept. of Commerce and Economic Development, Division of Investments. Included in the packet are policies and procedures.

veterans loan assumptions



Loan
Application

State of Alaska
Department of
Commerce and
Economic
Development
Division of
Investments

FIELD OFFICES

All applications must be submitted to the Department of Commerce and Economic Development, Division of Investments, at one of the following offices:

: Division of Investments
P.O. Box DI
Juneau, Alaska 99811
Telephone Number: (907) 465-2510

Division of Investments
3601 "C" Street, Suite 778
Anchorage, Alaska 99503
Telephone Number: (907) 562-3779

**STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS**

**LOAN POLICIES AND PROCEDURES
VETERANS' ASSUMPTIONS
AS 26.15.010-.170**

LOAN PURPOSES

In accordance with AS 26.15.040(e) as amended by the 1982 Legislature, existing single family, multiple dwelling, and small business loans approved under AS 26.15 may be assumed by qualified applicants at the existing interest rate.

All assumptions are without release of the original borrower; assumption of a loan does not release the original borrower from liability under the original note.

ELIGIBILITY

Qualified applicants who are 18 years old or older may assume existing veterans' loans. Veterans' personal loans are not assumable.

LOAN TERMS

Existing veterans' loans are assumable at the original rate of interest and under the original loan terms. No assumption will be approved which will cause the total of all indebtedness made under AS 26.15.010-.170 to exceed \$125,000.

PURCHASE AGREEMENT

An earnest money agreement, showing terms of purchase, legal description, location of property, and original signed full names of sellers and buyers must be included with this application. The agreement should extend minimum of 30 days past the application date.

LOAN CLOSING

All approved assumptions must be closed by a title insurance company.

LOAN APPROVAL

Authority for approval of all assumptions rests with the loan committee appointed by the Commissioner of the Department of Commerce and Economic Development. The loan committee will independently evaluate all relevant information before taking action on assumption applications. The committee may also consider, but is not bound by, the recommendations of the loan examiner assigned to process the application. No assumption will be granted without approval of a majority of the loan committee.

LOAN COSTS

The borrower shall pay all direct costs incurred by the State in processing the application for an assumption, including, but not limited to, the cost of credit reports, title insurance, inspection expenses, or other direct costs. The State is not liable for any costs incurred by the borrower during the application process.

1. An application fee (nonrefundable) in the form of a check or money order for \$25 made payable to the State of Alaska must accompany the application.
2. A credit report fee (nonrefundable) in the form of a check or money order for \$25 made payable to the State of Alaska must accompany the application.
3. If your application is approved, an assumption fee of $\frac{1}{2}$ of one percent of the loan amount being assumed will be due at closing.

REGULATIONS

The Department of Commerce and Economic Development has adopted administrative regulations governing loan policies and procedures, and public disclosure of information in an individual loan file. Copies of these regulations may be obtained by contacting the Division of Investments.

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS

**VETERANS' ASSUMPTION APPLICATION
CHECK-OFF LIST**

The following information is required in order to process your application. Please use this list to make sure all information is submitted (incomplete applications will not be accepted). Please retain a copy of this application for your records.

- _____ 1. **Application for Veterans' Assumption:** Be sure the form has been completed and signed. If a partnership or corporation, each individual must submit an application. (pages 5 and 6)
- _____ 2. **Nonrefundable Application Fee:** You must include a check or money order for \$25.
- _____ 3. **Nonrefundable Credit Report Fee:** You must include a check or money order for \$25.
- _____ 4. **Individual Financial Statement.** (pages 7 and 8)
- _____ 5. **Business Financial Statement.** (pages 9 and 10)
- _____ 6. **Credit Authorization:** Each form must be completed and signed. (page 11)
- _____ 7. **Authorization to Verify Financial Information.** (page 13)
- _____ 8. **Employment Verification.** (page 15)
- _____ 9. **Earnest Money Agreement:** The agreement with original signatures by all parties must explain all terms and conditions of the transaction and should extend a minimum of thirty days past the application date.
- _____ 10. **Federal Tax Returns:** Include signed copies of your federal income tax returns for the last three years. You must also submit tax returns for individuals owning 10% or more of the corporation, as well as the corporation's returns. Do not send original documents as they will not be returned. Tax returns must be filed with the I.R.S.
- _____ 11. **Child Support Verification:** This form must be completed by all persons who apply for a veterans loan assumption, including co-borrowers and spouses. Complete Part I of the form (page 17) and return it with your application package. Any person found to have a past due child support obligation is not eligible for a loan.

**STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS**

APPLICATION FOR VETERANS' ASSUMPTION LOAN

Applicant: Name (Last, First, M.I.)			Current Date
			Social Security Number
Mailing Address (Street/P.O. Box, City, State, Zip Code)			Applicant's Telephone Number ()
			Date of Birth
			Place of Birth (city and state)
Applicant's Employer	Occupation/Position	How Long? Yrs. Mos.	Employer's Telephone Number ()
☐ Married (including separated) ☐ Unmarried (including single, divorced, widowed)	Number of Dependents (excluding Applicant)		Gross Monthly Salary (before deductions)

Applicant: Business Name	☐ Individual ☐ Business ☐ Partnership ☐ Corporation	Taxpayer Identification Number
Mailing Address (Street/P.O. Box, City, State, Zip Code)		Business Telephone Number ()

Spouse/Co-Applicant: Name (Last, First, M.I.)			Social Security Number
			Date of Birth
			Place of Birth (City and State)
Mailing Address (Street/P.O. Box, City, State, Zip Code)			Gross Monthly Salary (before deductions)
Spouse/Co-Applicant's Employer	Occupation/Position	How Long? Yrs. Mos.	Employer's Telephone Number ()

Nearest Relative not living with you/Contact Person: Name (Last, First, M.I.)		Telephone Number ()
Mailing Address (Street/P.O. Box, City, State, Zip Code)		Put your nearest relative not living with you or a contact person who knows how to reach you when your current mailing address or telephone number may have changed.
Title Company		Telephone Number ()
Mailing Address (Street/P.O. Box, City, State, Zip Code)		Please list the title company you wish to close the loan if this application is approved.
I wish to assume a loan presently in the name of		
Loan Number		Estimated Loan Balance

Have you ever obtained a veterans' loan through the State of Alaska Department of Commerce and Economic Development?

☐ Yes ☐ No

If yes, complete the following:

Date Loan Received	Amount	Current Balance

I certify under penalty of perjury that all of the information contained in this application and any attachments to it is true, accurate and complete. I am aware that the maximum penalty for perjury, a Class B felony under AS 11.56.200(c), is a fine of up to \$50,000 (AS 12.55.035(b)(2)) and imprisonment for up to 10 years (AS 12.55.125(d)).

I agree that if any information contained in this application and attachments is false, inaccurate or incomplete, the division will deny the application. I also agree that if I receive a loan based on this application and attachments and any information contained in this application and attachments is later determined to be false, inaccurate or incomplete, then the loan will be cancelled and I will be immediately liable to repay the total I owe. I further agree that if any application submitted to the division is denied or if a loan that has been made is cancelled due to false, inaccurate, or incomplete information, I will no longer be eligible for any future benefits under the Veterans' Assumption Program.

Date _____

Signature _____

Date _____

Signature

Corporate Applicants Must Complete the Following Section

MANAGEMENT OF CORPORATION

- (1) Names of all officers, directors and their annual compensation, including salaries, bonuses, fees, withdrawals, etc.
- (2) Stockholders not otherwise listed—(five largest).
- (3) For each stockholder owning 10% or more of the stock include a current financial statement and three (3) credit authorizations.

Name and Address	Annual Compensation	Office Held	Percent Ownership

On behalf of the corporation, I certify under penalty of perjury that all of the information contained in this application and any attachments to it is true, accurate and complete. I am aware that the maximum penalty for perjury, a Class B felony under AS 11.56.200(c), is a fine of up to \$50,000 (AS 12.55.035(b)(2)) and imprisonment for up to 10 years (AS 12.55.125(d)).

I agree that if any information contained in this application and attachments is false, inaccurate or incomplete, the division will deny the application. I also agree that if I receive a loan based on this application and attachments and any information contained in this application and attachments is later determined to be false, inaccurate or incomplete, then the loan will be cancelled and I will be immediately liable to repay the total I owe. I further agree that if any application submitted to the division is denied or if a loan that has been made is cancelled due to false, inaccurate, or incomplete information, I will no longer be eligible for any future benefits under the Veterans' Assumption Program.

The State is authorized to obtain any and all credit reports and verification needed to evaluate this application, and the cost of obtaining these reports will be paid by the applicant.

Name of Corporate Applicant

Date _____

Authorized Signature

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS

**VETERANS' ASSUMPTION
FINANCIAL STATEMENT (Individual)**

Name		Social Security Number	Date	
Mailing Address		City	State	Zip
The undersigned makes the following statement of financial condition as of _____ day of _____, 19____				
ASSETS		LIABILITIES	Monthly Payments	Balance Owning
Cash in Bank	\$	Real Estate (Schedule 3)	\$	\$
Cash on hand		Notes Payable (Schedule 4)		
Notes/Accounts receivable (Schedule 1)		Accounts payable		
U.S. bonds or notes		Other Liabilities		
Mortgages and contracts (Schedule 1)				
Securities (Schedule 2)				
Value of Real Estate Owned (Schedule 3)				
Automobile		Credit Cards		
Personal Property				
Other assets (itemize)				
		TOTAL MONTHLY PAYMENTS	\$	
		TOTAL LIABILITIES		\$
TOTAL ASSETS	\$	NET WORTH		\$

CONTINGENT LIABILITIES		
☐ Yes	Are you a co-maker, endorser, or guarantor on any loan or contract?	Amount \$ _____
☐ No	If "yes" to whom?	
☐ Yes	Are there any unsatisfied judgments against you?	Amount \$ _____
☐ No		
☐ Yes	Have you filed for bankruptcy in the last 14 years?	Year _____
☐ No		
Other Obligations: Child Support, Alimony, etc.		

MONTHLY BUDGET

Total Salary (Applicant and Co-Applicant) After Deductions.....	\$	
Other Income.....	\$	
Total Installment Payments (See Liability Section Above).....	\$	
Utilities	\$	
Food Allowance.....	\$	
Auto Expense.....	\$	
Insurance.....	\$	
Medical Expenses.....	\$	
Other (describe).....	\$	
TOTAL MONTHLY EXPENSES.....	\$	
SURPLUS MONTHLY INCOME.....	\$	

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS

**VETERANS' ASSUMPTION
FINANCIAL STATEMENT (Individual)**

Name		Social Security Number	Date	
Mailing Address		City	State	Zip

The undersigned makes the following statement of financial condition as of _____ day of _____, 19____.

ASSETS		LIABILITIES	Monthly Payments	Balance Owning
Cash in Bank	\$	Real Estate (Schedule 3)	\$	\$
Cash on hand		Notes Payable (Schedule 4)		
Notes/Accounts receivable (Schedule 1)		Accounts payable		
U.S. bonds or notes		Other Liabilities		
Mortgages and contracts (Schedule 1)				
Securities (Schedule 2)				
Value of Real Estate Owned (Schedule 3)				
Automobile		Credit Cards		
Personal Property				
Other assets (itemize)				
		TOTAL MONTHLY PAYMENTS	\$	
		TOTAL LIABILITIES		\$
TOTAL ASSETS	\$	NET WORTH		\$

CONTINGENT LIABILITIES		
☐ Yes	Are you a co-maker, endorser, or guarantor on any loan or contract?	Amount \$ _____
☐ No	If "yes" to whom?	
☐ Yes	Are there any unsatisfied judgments against you?	Amount \$ _____
☐ No		
☐ Yes	Have you filed for bankruptcy in the last 14 years?	Year _____
☐ No		
Other Obligations: Child Support, Alimony, etc.		

MONTHLY BUDGET	
Total Salary (Applicant and Co-Applicant) After Deductions.....	\$
Other Income.....	\$
Total Installment Payments (See Liability Section Above).....	\$
Utilities	\$
Food Allowance.....	\$
Auto Expense.....	\$
Insurance.....	\$
Medical Expenses.....	\$
Other (describe).....	\$
TOTAL MONTHLY EXPENSES.....	\$
SURPLUS MONTHLY INCOME.....	\$

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS

**VETERANS' ASSUMPTION
FINANCIAL STATEMENT (Business)**

Name		Taxpayer Identification No.		Date	
Mailing Address		City		State	Zip
The undersigned makes the following statement of financial condition as of _____ day of _____, 19____					
ASSETS		LIABILITIES		Monthly Payments	Balance Owing
Cash in Bank	\$	Real Estate (Schedule 3)	\$		\$
Cash on hand		Notes Payable (Schedule 4)			
Notes/Accounts receivable (Schedule 1)		Accounts payable			
Less: Reserve for bad debts		Employer taxes payable			
U.S. bonds or notes		Other taxes payable			
Mortgages and contracts (Schedule 1)		Other liabilities (itemize)			
Securities (Schedule 2)					
Value of Real Estate Owned (Schedule 3)					
Machinery, furniture and fixtures		TOTAL LIABILITIES	\$		\$
Less: Depreciation		Capital Stock			
Prepaid expenses		Paid-in Surplus			
Other assets (itemize)		Retained Earnings			
TOTAL ASSETS	\$	NET WORTH			\$

CONTINGENT LIABILITIES		
☐ Yes ☐ No	Are you a co-maker, endorser, or guarantor on any loan or contract? If "yes" to whom?	Amount \$ _____
☐ Yes ☐ No	Are there any unsatisfied judgments against you?	Amount \$ _____
☐ Yes ☐ No	Have you filed for bankruptcy in the last 14 years?	Year _____
Other Obligations:		

SCHEDULE NO. 1: NOTES RECEIVABLE/ACCOUNTS RECEIVABLE, MORTGAGES AND CONTRACTS OWNED

Description	Name of Debtor	Original Balance	Present Balance	Monthly Payment	Amount Past Due

SCHEDULE NO. 2: SECURITIES

Number of Shares	Description	To Whom Pledged	Market Value	Cost	Income Received Last Year

SCHEDULE NO. 3: REAL ESTATE OWNED

Description and Location (Street, City, State)	Date Acquired	Cost	Current Assessed Value	Mortgages					
				Name and Address of Bank	Current Market Value	Original Balance	Present Balance	Payment Amount	
								Monthly	Annual

Is any real estate being purchased on a contract of sale? _____ If so, which one? _____
from whom? _____

SCHEDULE NO. 4: NOTES PAYABLE (Do not include mortgages listed in Schedule 3)

Name and Address of Bank	Collateral	Date Incurred	Original Amount	Present Amount	When Due	Payment Amount	
						Monthly	Annual

Have you ever received a loan from the State? ☐ Yes ☐ No

If yes, please complete the following:

Loan Number	Loan Type	Date Received	Paid in Full (Yes or No)

In submitting the foregoing statement the undersigned applicant guarantees its accuracy with the intent that it be relied upon by the division in extending credit to the applicant and warrants that information has not knowingly been withheld that might affect the applicant's credit risk; and that the applicant agrees to notify the division immediately in writing of any material change in the applicant's financial condition.

Signature _____ Title _____ Date _____

Signature _____ Title _____ Date _____

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS

CREDIT AUTHORIZATION

URGENT
Please Reply
Within 48 Hours
LOAN PENDING

I, _____, of _____
(Print full name) (City and State)

authorize the following named creditor to divulge to the Department of Commerce and Economic Development, State of Alaska, any and all information concerning the nature of my credit transactions with them, including, but not limited to, the amount of credit extended, the terms and conditions of the transactions, the current balance, if any is outstanding, and the repayment record.

I understand that the information is of a confidential nature and will be used for the sole purpose of evaluating an application which I have submitted to the State.

NAME OF CREDITOR _____

ACCOUNT NUMBER _____

ADDRESS _____

CITY _____ STATE _____

ZIP CODE _____

APPLICANT'S SIGNATURE _____ DATE _____

This form should be returned with the application package. The division will forward all authorizations to the creditors.

Creditor Verification
(For creditor use only)

The above named applicant has applied for benefits from the State. To assist us in evaluating this application, we would appreciate any information you can give us regarding our applicant's credit rating. Information received will be considered confidential.

Date Account Opened	Maximum Credit Extended	Present Balance	Payments	Rating

Remarks _____

Signature of Creditor

Title

Date

Please return to:

☐
Division of Investments
P.O. Box 01
Juneau, Alaska 99811
Telephone: (907) 465-2510

☐
Division of Investments
3601 "C" St., Suite 778
Anchorage, Alaska 99503
Telephone: (907) 562-3779

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS

CREDIT AUTHORIZATION

URGENT
Please Reply
Within 48 Hours
LOAN PENDING

I, _____, of _____
(Print full name) (City and State)

authorize the following named creditor to divulge to the Department of Commerce and Economic Development, State of Alaska, any and all information concerning the nature of my credit transactions with them, including, but not limited to, the amount of credit extended, the terms and conditions of the transactions, the current balance, if any is outstanding, and the repayment record.

I understand that the information is of a confidential nature and will be used for the sole purpose of evaluating an application which I have submitted to the State.

NAME OF CREDITOR _____

ACCOUNT NUMBER _____

ADDRESS _____

CITY _____ STATE _____

ZIP CODE _____

APPLICANT'S SIGNATURE _____ DATE _____

This form should be returned with the application package. The division will forward all authorizations to the creditors.

Creditor Verification
(For creditor use only)

The above named applicant has applied for benefits from the State. To assist us in evaluating this application, we would appreciate any information you can give us regarding our applicant's credit rating. Information received will be considered confidential.

Date Account Opened	Maximum Credit Extended	Present Balance	Payments	Rating

Remarks _____

Signature of Creditor

Title

Date

Please return to:

☐ Division of Investments
P.O. Box 61
Juneau, Alaska 99811
Telephone: (907) 465-2510

☐ Division of Investments
3601 "C" St., Suite 778
Anchorage, Alaska 99503
Telephone: (907) 562-3779

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS

URGENT
Please Reply
Within 48 Hours
LOAN PENDING

CREDIT AUTHORIZATION

I, _____, of _____
(Print full name) (City and State)

authorize the following named creditor to divulge to the Department of Commerce and Economic Development, State of Alaska, any and all information concerning the nature of my credit transactions with them, including, but not limited to, the amount of credit extended, the terms and conditions of the transactions, the current balance, if any is outstanding, and the repayment record.

I understand that the information is of a confidential nature and will be used for the sole purpose of evaluating an application which I have submitted to the State.

NAME OF CREDITOR _____

ACCOUNT NUMBER _____

ADDRESS _____

CITY _____ STATE _____

ZIP CODE _____

APPLICANT'S SIGNATURE _____ DATE _____

This form should be returned with the application package. The division will forward all authorizations to the creditors.

Creditor Verification
(For creditor use only)

The above named applicant has applied for benefits from the State. To assist us in evaluating this application, we would appreciate any information you can give us regarding our applicant's credit rating. Information received will be considered confidential.

Date Account Opened	Maximum Credit Extended	Present Balance	Payments	Rating

Remarks _____

Signature of Creditor

Title

Date

Please return to:

☐
Division of Investments
P.O. Box 01
Juneau, Alaska 99811
Telephone: (907) 465-2510

☐
Division of Investments
3601 "C" St., Suite 778
Anchorage, Alaska 99503
Telephone: (907) 562-3779

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS

URGENT
Please Reply
Within 48 Hours
LOAN PENDING

AUTHORIZATION TO VERIFY FINANCIAL INFORMATION

I, _____, of _____,
(Print Full Name) (City and State)

authorize the following named financial institution to divulge to the Department of Commerce and Economic Development, State of Alaska, any and all information concerning the nature of my account balances and loan balances with them, including, but not limited to, the amount of credit extended, the terms and conditions of the transactions and the current balance, if any is outstanding.

I understand that the information is of a confidential nature and will be used for the sole purpose of evaluating an application which I have submitted to the State.

Name of Financial Institution _____

Checking Account Number _____ Savings Account Number _____

Loan Number _____ Loan Number _____

Address _____

City _____ State _____ Zip _____

Applicant's Signature _____ Date _____

This form should be returned with the application package. The division will forward all authorizations to the creditors.

BANK VERIFICATION OF FINANCIAL INFORMATION
(For Bank Use Only)

Checking Account: Current Balance _____ 6 Month Average _____ Date Account was opened _____	Savings Account: Current Balance _____ 6 Month Average _____ Date Account was opened _____	Other Account: Current Balance _____ 6 Month Average _____ Date Account was opened _____
---	--	--

Loans	Date	Original Balance	Payments	Current Balance	Rating
Secured					
Unsecured					

The information provided above is essentially correct as of this date and accurately reflects the individual's financial dealings with this institution.

Remarks _____

Signature of Bank Official _____

Title _____

Date _____

Please return to:

Division of Investments
P.O. Box DI
Juneau, Alaska 99811
Telephone: (907) 465-2510

Division of Investments
3601 "C" St., Suite 778
Anchorage, Alaska 99503
Telephone: (907) 562-3779

**STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS**

URGENT
Please Reply
Within 48 Hours
LOAN PENDING

AUTHORIZATION TO VERIFY FINANCIAL INFORMATION

I, _____ of _____
(Print Full Name) (City and State)

authorize the following named financial institution to divulge to the Department of Commerce and Economic Development, State of Alaska, any and all information concerning the nature of my account balances and loan balances with them, including, but not limited to, the amount of credit extended, the terms and conditions of the transactions and the current balance, if any is outstanding.

I understand that the information is of a confidential nature and will be used for the sole purpose of evaluating an application which I have submitted to the State.

Name of Financial Institution _____

Checking Account Number _____ Savings Account Number _____

Loan Number _____ Loan Number _____

Address _____

City _____ State _____ Zip _____

Applicant's Signature _____ Date _____

This form should be returned with the application package. The division will forward all authorizations to the creditors.

**BANK VERIFICATION OF FINANCIAL INFORMATION
(For Bank Use Only)**

Checking Account: Current Balance _____ 6 Month Average _____ Date Account was opened _____	Savings Account: Current Balance _____ 6 Month Average _____ Date Account was opened _____	Other Account: Current Balance _____ 6 Month Average _____ Date Account was opened _____
---	--	--

Loans	Date	Original Balance	Payments	Current Balance	Rating
Secured					
Unsecured					

The information provided above is essentially correct as of this date and accurately reflects the individual's financial dealings with this institution.

Remarks _____

Signature of Bank Official

Title

Date

Please return to:

□
Division of Investments
P.O. Box DI
Juneau, Alaska 99811
Telephone: (907) 465-2510

□
Division of Investments
3601 "C" St., Suite 778
Anchorage, Alaska 99503
Telephone: (907) 562-3779

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS

URGENT
Please Reply
Within 48 Hours
LOAN PENDING

AUTHORIZATION TO VERIFY FINANCIAL INFORMATION

I, _____, of _____,
(Print Full Name) (City and State)

authorize the following named financial institution to divulge to the Department of Commerce and Economic Development, State of Alaska, any and all information concerning the nature of my account balances and loan balances with them, including, but not limited to, the amount of credit extended, the terms and conditions of the transactions and the current balance, if any is outstanding.

I understand that the information is of a confidential nature and will be used for the sole purpose of evaluating an application which I have submitted to the State.

Name of Financial Institution _____

Checking Account Number _____ Savings Account Number _____

Loan Number _____ Loan Number _____

Address _____

City _____ State _____ Zip _____

Applicant's Signature _____ Date _____

This form should be returned with the application package. The division will forward all authorizations to the creditors.

BANK VERIFICATION OF FINANCIAL INFORMATION
(For Bank Use Only)

Checking Account: Current Balance _____ 6 Month Average _____ Date Account was opened _____	Savings Account: Current Balance _____ 6 Month Average _____ Date Account was opened _____	Other Account: Current Balance _____ 6 Month Average _____ Date Account was opened _____
---	--	--

Loan	Date	Original Balance	Payments	Current Balance	Rating
Secured					
Unsecured					

The information provided above is essentially correct as of this date and accurately reflects the individual's financial dealings with this institution.

Remarks _____

Signature of Bank Official

Title

Date

Please return to:

Division of Investments
P.O. Box 01
Juneau, Alaska 99811
Telephone: (907) 465-2510

Division of Investments
3601 "C" St., Suite 778
Anchorage, Alaska 99503
Telephone: (907) 562-3779

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS

EMPLOYMENT VERIFICATION

URGENT
Please Reply
Within 48 Hours
LOAN PENDING

Applicant _____

Employer _____

Address _____

Applicant's Signature _____ Date _____

This form should be returned with the application package. The division will forward all verifications to your employer.

EMPLOYER'S VERIFICATION
(For Employer's Use Only)

The above-named applicant has applied for a loan from the State. To assist us in evaluating the application, we would appreciate the information you can give us regarding our applicant's employment.

Present Position _____

Employed From/To _____

Probability of Continued Employment _____

Present Base Salary _____

Employment is ☐ permanent ☐ temporary ☐ full-time ☐ part-time ☐ seasonal

Approximate additional earnings, if any, from overtime, bonuses, etc. _____

Remarks _____

Signature of Employer

Title

Date

Please return to:

☐
Division of Investments
P.O. Box DI
Juneau, Alaska 99811
Telephone: (907) 465-2510

☐
Division of Investments
3601 "C" St., Suite 778
Anchorage, Alaska 99503
Telephone: (907) 562-3779

State of Alaska
Department of Commerce and Economic Development
Division of Investments

CHILD SUPPORT VERIFICATION

PART I — REQUEST
(To be completed by the applicant)

TO: Child Support Enforcement Division
550 W. 7th, Hunt Bldg., 4th Floor
Anchorage, AK 99501

FROM: Division of Investments
Department of Commerce and
Economic Development

The applicant's signature below authorizes the release of child support information to the Division of Investments for the purpose of determining eligibility for state loans, in accordance with Chapter 16, SLA 1986.

Applicant Name	Soc. Sec. No.	Address	Signature
(1) _____	_____	_____	_____
(2) _____	_____	_____	_____
(3) _____	_____	_____	_____

Loan Examiner _____ Date _____

PART II — VERIFICATION
(To be completed by Child Support Enforcement Division)

The above applicant

- ☐ does not have a past due child support obligation
- ☐ does have a past due child support obligation (specify applicant(s) _____)

Information verified by: _____
Name Date

Please return to:

☐ Division of Investments
P.O. Box DI
Juneau, Alaska 99811
Telephone: (907) 465-2510

☐ Division of Investments
3601 "C" St., Suite 778
Anchorage, Alaska 99503
Telephone: (907) 562-3779

DEPT. C+RA

PORTFOLIO ANALYSIS
ON
HOUSING ASSISTANCE LOAN FUND

June 30, 1989

Presented 8-23-89

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
HOUSING ASSISTANCE SECTION
949 EAST 36th, SUITE 403
ANCHORAGE, ALASKA 99508
PHONE: 561-0900

Portfolio Analysis
June 30, 1989

This report has been prepared to provide information on the Housing Assistance Loan Fund. Included is background information on the history of the Division, a description of the current programs funded by the HALF, and general statistical data.

I. BACKGROUND

The Housing Assistance Division was created by the 1980 Legislature, (Chapter 120, SLA 1980) to administer the Nonconforming Housing Loan Program. Loan funds were to be distributed on a statewide basis with emphasis on rural Alaska. Administration of these loans was primarily through seller-servicer agreements with financial institutions. The initial mandate from the Legislature was twofold; (1) to form a central office and five regional offices and (2) to offer loans for nonconforming housing. First year loan funds were appropriated at \$10 million.

The 1981 Legislature continued funding the Nonconforming Program at a rate of \$40 million and directed the Division to divide such funds between rural and urban Alaska at an 80 percent:20 percent ratio. The Legislature further directed the Division to offer funds directly to eligible borrowers who could not otherwise get service in rural Alaska (Chapter 82, SLA 1981). This mandate is known as direct lending and has been instituted by the Division.

The Nonconforming Loan Fund was renamed the Housing Assistance Loan Fund during the 1982 Legislature (Chapter 113, SLA 1982). This fund combined the Nonconforming Loan Program with the AHFC Rural Mortgage Purchase Programs for both owner-occupied and nonowner-occupied loans. An FY-82 appropriation to the newly combined Housing Assistance Loan Fund (HALF) was in the amount of \$45 million bringing total appropriations to date to \$95 million.

The HALF was given another \$45 million by the 1983 legislature and another new program. The new program was called the Homeownership Assistance Fund. The object of this program is to make homeownership a reality for the low to moderate income segment of the state's population by subsidizing a portion of the interest payment on the loan. Regulations were drafted and became final on September 22, 1985.

areas in the state. Economic development and community development information is being provided to rural clients by the staff. The Division is also undertaking a number of activities in the state that will enhance local community development, such as providing information, referral services, and technical assistance.

II. PROGRAMS

Rural Owner-Occupied Program - Provides financing to qualified borrowers for the construction or purchase of single family residence and duplex housing for owner occupancy. The maximum loan term is 30 years.

For new construction, the Division may finance 100 percent of allowable costs incurred during construction or 85 percent of appraised value, whichever is less.

Additional restrictions on loan to value ratios are imposed when certain structural features are omitted from the design at the borrowers discretion. The maximum dollar amount a borrower may receive is \$199,875 for single units and \$255,675 for duplexes.

For purchase of existing housing, the Division may finance 95 percent of the sales price or 95 percent of the appraised value, whichever is less. The maximum dollar amounts are the same for purchase as shown for construction.

Rural Nonowner-Occupied Program - Provides financing to qualified borrowers for the construction, purchase or rehabilitation of nonowner-occupied rental housing units. The interest rate for this program is 10.5 percent with a maximum loan term of 30 years. The project may involve two to eight units in a single community or specific area and extend up to 16 units in areas demonstrating extraordinary need. The principal amount of the loan or loans for housing from the Division must not exceed \$1,250,000.00. Also, the loan must not exceed 80 percent of the appraised value or 80 percent of the purchase price which is less. The borrower may not reside in the housing financed.

Housing Rehabilitation Program - Provides financing to qualified borrowers for the repair, remodeling or rehabilitation of existing single family and duplex housing. In addition, the Division may provide first or second deeds of trust financing.

Portfolio Analysis
June 30, 1989

-9,752,100.00
-6,576,400.00
\$23,677,825.00
+ 551,750.00
\$24,229,575.00

FY 82 rural funds expended
FY 82 urban funds expended
FY 82 carry forward
FY 81 carry forward *
TOTAL CARRY FORWARD TO FY 83

*This amount consists of \$551,750 in FY 81 commitments cancelled in FY 82

FY 83

\$45,000,000.00
24,229,575.00
\$69,229,575.00

FY 83 appropriation
FY 82 carry forward
TOTAL AVAILABLE FUNDS

- 6,358,292.61
- 8,869,200.14
-32,881,000.00

- 8,611,950.00

- 500,000.00
\$12,009,132.25

FY 83 urban funds expended
FY 83 rural nonconforming funds
FY 83 rural owner-occupied funds expended
FY 83 rural nonowner-occupied funds
Title loss reserve account
TOTAL CARRY FORWARD TO FY 84

FY 84

\$45,000,000.00
+12,009,132.25
+ 3,038,150.00
\$60,047,282.25

FY 84 appropriation
FY 83 carry forward
Prior Year Commitments
Cancelled in FY84
TOTAL AVAILABLE FUNDS

- 9,170,800.00
-33,685,550.00
- 5,815,150.00
\$11,375,782.25

Nonconforming funds expended 6/30/84
Rural Owner-Occupied funds expended 6/30/84
Rural Nonowner-Occupied funds expended 6/30/84
TOTAL CARRY FORWARD TO FY 85

FY 85

\$45,000,000.00
\$11,375,782.25
\$ 3,927,403.14
\$ 5,660,901.76
\$ 2,468,600.00
\$68,432,687.15

FY 85 Appropriation
FY 84 Carry Forward
FY 84 Carry Forward Principal
FY 85 Principal
Prior Year Cancellations
TOTAL AVAILABLE FUNDS

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This report has been prepared to provide information on the Housing Assistance Loan Fund. Included is background information on the history of the Division, a description of the current programs funded by the HALF, and general statistical data.

I. BACKGROUND

The Housing Assistance Division was created by the 1980 Legislature, (Chapter 120, SLA 1980) to administer the Nonconforming Housing Loan Program. Loan funds were to be distributed on a statewide basis with emphasis on rural Alaska. Administration of these loans was primarily through seller-servicer agreements with financial institutions. The initial mandate from the Legislature was twofold; (1) to form a central office and five regional offices and (2) to offer loans for nonconforming housing. First year loan funds were appropriated at \$10 million.

The 1981 Legislature continued funding the Nonconforming Program at a rate of \$40 million and directed the Division to divide such funds between rural and urban Alaska at an 80 percent:20 percent ratio. The Legislature further directed the Division to offer funds directly to eligible borrowers who could not otherwise get service in rural Alaska (Chapter 82, SLA 1981). This mandate is known as direct lending and has been instituted by the Division.

The Nonconforming Loan Fund was renamed the Housing Assistance Loan Fund during the 1982 Legislature (Chapter 113, SLA 1982). This fund combined the Nonconforming Loan Program with the AHFC Rural Mortgage Purchase Programs for both owner-occupied and nonowner-occupied loans. An FY-82 appropriation to the newly combined Housing Assistance Loan Fund (HALF) was in the amount of \$45 million bringing total appropriations to date to \$95 million.

The HALF was given another \$45 million by the 1983 legislature and another new program. The new program was called the Homeownership Assistance Fund. The object of this program is to make homeownership a reality for the low to moderate income segment of the state's population by subsidizing a portion of the interest payment on the loan. Regulations were drafted and became final on September 22, 1985.

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The 1984 Legislature redefined rural, again. The Division took the definition to a cartographer to insure the delineating lines were drawn correctly since the definition was based on nautical miles from the boundaries of Anchorage and Fairbanks. The new definition based on the maps provided by the cartographer included Homer and Anchor Point as rural locations. In January 1985 the Division was working on new rural definitions to present to the Legislature. It was discovered during this process that the cartographer had erred in the maps he drew and the Homer and Anchor Point locations should not have been included in the rural area. The Division stopped accepting applications for loans from the affected areas on January 22, 1985. The 1985 Legislature redefined rural basically returning to the FY 84 definition based on road or rail access to Anchorage or Fairbanks. Additionally, the 1985 Legislature transferred the authority for making nonconforming loans in urban areas from the Housing Assistance Division to the Alaska Housing Finance Corporation. The 1985 Legislature appropriated \$4 Million from the General Fund to the revolving loan fund and allowed the Division to revolve the FY 85 and FY 86 principal and interest repayments to the fund as additional sources of loan funds for FY 86.

In 1986, the Alaska Legislature enacted legislation (Chapter 130, SLA 1986) appropriating \$70 million from the Housing Assistance Loan Fund to the State of Alaska, General Fund. The Alaska Housing Finance Corporation (AHFC) was used as an avenue for the funding due to their bonding capabilities which the Housing Assistance Division does not have. With this transfer the AHFC purchased a total of 965 home mortgage loans from the Housing Assistance Loan Fund effective November 30, 1986.

With the election of Governor Steve Cowper in 1986, a new rural initiative has emerged and impacted the housing unit significantly. The former Housing Assistance Division has been merged with the Division of Community Development to form the Rural Development Division and is now the Housing Assistance Section offering several economies of staffing.

Rural Loan Examiners are being asked to provide information regarding other statewide loan programs on behalf of the Department of Commerce and Economic Development as well as other agencies throughout rural

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areas in the state. Economic development and community development information is being provided to rural clients by the staff. The Division is also undertaking a number of activities in the state that will enhance local community development, such as providing information, referral services, and technical assistance.

II. PROGRAMS

Rural Owner-Occupied Program - Provides financing to qualified borrowers for the construction or purchase of single family residence and duplex housing for owner occupancy. The maximum loan term is 30 years.

For new construction, the Division may finance 100 percent of allowable costs incurred during construction or 85 percent of appraised value, whichever is less.

Additional restrictions on loan to value ratios are imposed when certain structural features are omitted from the design at the borrowers discretion. The maximum dollar amount a borrower may receive is \$199,875 for single units and \$255,675 for duplexes.

For purchase of existing housing, the Division may finance 95 percent of the sales price or 95 percent of the appraised value, whichever is less. The maximum dollar amounts are the same for purchase as shown for construction.

Rural Nonowner-Occupied Program - Provides financing to qualified borrowers for the construction, purchase or rehabilitation of nonowner-occupied rental housing units. The interest rate for this program is 10.5 percent with a maximum loan term of 30 years. The project may involve two to eight units in a single community or specific area and extend up to 16 units in areas demonstrating extraordinary need. The principal amount of the loan or loans for housing from the Division must not exceed \$1,250,000.00. Also, the loan must not exceed 80 percent of the appraised value or 80 percent of the purchase price which is less. The borrower may not reside in the housing financed.

Housing Rehabilitation Program - Provides financing to qualified borrowers for the repair, remodeling or rehabilitation of existing single family and duplex housing. In addition, the Division may provide first or second deeds of trust financing.

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For first deeds of trust, the Division may finance 100 percent of allowable cost of construction, plus pay off any existing liens on the subject property. However, the amount financed may not exceed the lesser of 95 percent of the appraised value of the property, or \$199,875 for single families and \$255,675 for duplexes. The maximum term of the loan is 30 years.

For second deeds of trust, the Division may finance up to \$45,000. Maximum term for second is 15 years.

Under the Rehabilitation Program, the amount financed may include costs for contracted labor/services other than that of the borrower.

In the event a borrower requires financing for building materials only (no labor), the Division may provide rehab financing up to 80 percent of the appraised value of the subject property or \$45,000 whichever is less and the maximum term is 15 years.

Homeownership Assistance Program - Provides assistance to persons of lower and moderate income to purchase or construct single-family, owner-occupied dwellings where the mortgage loan on the dwelling is originated or purchased by the Division under the Nonconforming Housing Loan Program or the Rural Owner-Occupied Program.

III. FUNDING AND ACTIVITY STATISTICS

1. APPROPRIATIONS

FY 81 APPROPRIATION

\$10,000,000.00
5,639,900.00
4,353,775.00
\$ 6,325.00

FY 81 appropriation
FY 81 urban funds expended
FY 81 rural funds expended
TOTAL CARRY FORWARD TO FY 82

FY 82

\$40,000,000.00
6,325.00
\$40,006,325.00

FY 82 appropriation
FY 81 carry forward
TOTAL AVAILABLE FUNDS

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-9,752,100.00
-6,576,400.00
\$23,677,825.00
+ 551,750.00
\$24,229,575.00

FY 82 rural funds expended
FY 82 urban funds expended
FY 82 carry forward
FY 81 carry forward *
TOTAL CARRY FORWARD TO FY 83

*This amount consists of \$551,750 in FY 81 commitments cancelled in FY 82

FY 83

\$45,000,000.00
24,229,575.00
\$69,229,575.00

FY 83 appropriation
FY 82 carry forward
TOTAL AVAILABLE FUNDS

- 6,358,292.61
- 8,869,200.14
-32,881,000.00

FY 83 urban funds expended
FY 83 rural nonconforming funds
FY 83 rural owner-occupied funds expended

- 8,611,950.00

FY 83 rural nonowner-occupied funds

- 500,000.00
\$12,009,132.25

Title loss reserve account
TOTAL CARRY FORWARD TO FY 84

FY 84

\$45,000,000.00
+12,009,132.25
+ 3,038,150.00
\$60,047,282.25

FY 84 appropriation
FY 83 carry forward
Prior Year Commitments
Cancelled in FY84
TOTAL AVAILABLE FUNDS

- 9,170,800.00

Nonconforming funds expended 6/30/84

-33,685,550.00

Rural Owner-Occupied funds expended 6/30/84

- 5,815,150.00

Rural Nonowner-Occupied funds expended 6/30/84

\$11,375,782.25

TOTAL CARRY FORWARD TO FY 85

FY 85

\$45,000,000.00
\$11,375,782.25
\$ 3,927,403.14
\$ 5,660,901.76
\$ 2,468,600.00
\$68,432,687.15

FY 85 Appropriation
FY 84 Carry Forward
FY 84 Carry Forward Principal
FY 85 Principal
Prior Year Cancellations
TOTAL AVAILABLE FUNDS

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\$-10,793,250.00
\$-43,619,775.00
\$-12,774,900.00
\$ 1,244,762.15

Nonconforming Funds Expended
Rural Owner-Occupied Funds Expended
Rural Nonowner-Occupied Funds Expended
TOTAL CARRY FORWARD TO FY 86

FY 86

\$ 4,000,000.00
\$ 1,244,762.15
\$12,380,633.19
\$10,599,682.67
\$16,856,076.80
\$ 45,122.83
\$ 80,799.24
\$ 1,313.76
\$-2,109,831.40
\$ 3,879,087.71
\$- 202,133.79
\$46,775,513.16

FY 86 Appropriation
FY 85 Carry Forward
FY 85 Interest
FY 86 Principal(through 06/86)
FY 86 Interest(through 06/86)
FY 85 Receipts
FY 86 Receipts
FY 86 Gain/Loss transactions
FY 86 Administration Costs Through 6/86
Prior Year Cancellations
FY 85 HOAF Program Costs
TOTAL AVAILABLE FUNDS

\$ -3,447,000.00
\$-32,419,275.00
\$ 10,909,238.16

Rural Nonowner-Occupied Funds Expended
Rural Owner-Occupied Funds Expended
TOTAL CARRY FORWARD TO FY 87

FY 87

\$ 10,909,238.16
\$ 14,196,518.56
\$ 14,070,346.60
\$ -1,839,430.00
\$ 94,121.54
\$ -184,030.42
\$ -47,468.49
\$ 2,859,225.00
\$ 40,058,520.95

FY 86 Carry Forward
FY 87 Principal
FY 87 Interest
Admin. Costs
Receipts
Operating Loss Reserve
Gain/Loss Transactions
Prior Year Cancellations
AVAILABLE FUNDS AS OF 6/30/87

\$ -200,000.00
\$-29,305,100.00
\$ 10,553,420.95

Rural Nonowner-Occupied Funds Expended
Rural Owner-Occupied Funds Expended
TOTAL AVAILABLE FUNDS AS OF 6/30/87

Portfolio Analysis
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FY 88

\$10,553,420.95
2,500,000.00
8,442,978.82
12,306,980.86
-2,134,716.83
213,401.23
-262,395.05
-183,542.74
919,500.00
\$32,355,627.24

FY 87 Carry Forward
FY87 Appropriation
FY 88 Principal
FY 88 Interest
Admin Expense
Receipts
Operating Loss Reserve
Gain/Loss Transactions
Prior Year Cancellations
AVAILABLE FUNDS AS OF 6/30/88

\$ -729,200.25
-21,954,650.00
\$ 9,671,776.99

Rural Non-Owner Occupied Funds Expended
Rural Owner Occupied Funds Expended
TOTAL AVAILABLE FUNDS AS OF 6/30/88

FY 89

\$ 9,671,776.99
-2,196,800.00
7,505,241.83
10,852,852.88
-2,889,700.00
449,347.36
-500,000.00
-104,578.24
965,800.00
\$23,753,940.82

FY88 Carry Forward
FY 89 Transfer to General Fund
FY 89 Principal
FY 89 Interest
Administrative Expense
Receipts
Operating Loss Reserve
Gain/Loss Transactions
Prior Year Cancellations
EXPENDABLE FUNDS TO DATE FOR FY 89

-314,000.00
-19,851,700.00
\$ 3,588,240.82

Rural Non-Owner Occupied Funds Expended
Rural Owner-Occupied Funds Expended
TOTAL AVAILABLE FUNDS AS OF 06/15/89*

*Due to accruals, final figures for FY 89 are not yet available.

2. LOAN PORTFOLIC COMPOSITION AS OF 06/30/89:

	NO. LOANS	LOAN AMT.	PRIN. AS OF 06/30/89	AVG. LOAN AMT.
Resold REO	13	\$ 748,150	\$ 731,176.03	\$ 57,550
Nonconforming	95	\$ 6,916,825	6,203,312.60	\$ 72,809
Rural Owner	1358	\$130,881,687	126,323,380.94	\$ 96,378
Rural Nonowner	74	\$ 19,867,400	19,291,525.49	\$268,478
<u>TOTALS</u>	<u>1540</u>	<u>\$158,414,062</u>	<u>152,549,395.06</u>	<u>\$102,866</u>

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RESOLD REO PROPERTIES

	NO. LOANS	LOAN AMT.	PRIN. AS OF 06/30/89	AVG. LOAN AMT.
<u>FY88</u>				
Active	2	\$ 92,500	\$ 91,366.21	\$ 46,250
<u>TOTALS</u>	<u>2</u>	<u>\$ 92,500</u>	<u>91,366.21</u>	
<u>FY89</u>				
Active	11	\$ 655,650	\$ 639,809.82	\$ 59,604
Committed	3	\$ 288,850		
Paid Off	1	\$ 37,250	\$	
<u>TOTALS</u>	<u>15</u>	<u>\$ 981,750</u>	<u>\$ 639,809.82</u>	

NONCONFORMING ACTIVITY AS OF 06/30/89

	NO. LOANS	LOAN AMT.	PRIN. AS OF 06/30/89	AVG. LOAN AMT.
<u>FY 81</u>				
Active	18	\$ 1,366,050	\$ 1,204,314.42	\$ 75,833
Cancelled	5	307,600		
Paid Off	76	4,505,650		
Foreclosed	1	147,750	117,970.00	
<u>TOTALS</u>	<u>100</u>	<u>\$ 6,327,050</u>	<u>\$ 1,322,284.42</u>	
<u>FY 82</u>				
Active	46	\$ 3,369,625	\$ 2,992,450.56	\$ 73,253
Cancelled	36	2,146,750		
Paid Off	259	15,714,216		
Foreclosed	5	446,100	316,310.00	
<u>TOTALS</u>	<u>346</u>	<u>\$21,676,691</u>	<u>\$ 3,308,760.56</u>	
<u>FY 83</u>				
Active	29	\$ 2,024,400	\$ 1,854,308.59	\$ 69,807
Cancelled	22	1,552,650		
Paid Off	191	12,805,576		
Foreclosed	3	157,700	122,600.00	
<u>TOTALS</u>	<u>245</u>	<u>\$16,540,326</u>	<u>\$ 1,976,908.59</u>	
<u>FY84</u>				
Active	1	\$ 76,000	\$ 73,167.89	\$ 76,000
Cancelled	5	389,900		
Paid Off	134	8,648,850		
Foreclosed	5	366,750	258,200.00	
<u>TOTALS</u>	<u>145</u>	<u>\$ 9,481,500</u>	<u>\$ 331,367.89</u>	

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965,000.00

FY 85				
Active	1	\$ 80,750	\$ 79,071.14	\$ 80,750
Cancelled	16	1,156,100		
Paid Off	150	10,419,300		
Foreclosed	2	91,200	\$ 72,000.00	
TOTALS	169	\$11,747,350	\$ 151,071.14	

RURAL OWNER-OCCUPIED ACTIVITY AS OF 06/30/89

	NO. LOANS	LOAN AMT.	PRIN. AS OF 06/30/89	AVG. LOAN AMT.
FY 82				
Active	27	\$ 3,204,925	\$2,993,463.86	\$118,701
Cancelled	8	879,100		
Paid Off	25	2,281,700		
Foreclosed	1	160,000	127,840.00	
TOTALS	61	\$ 6,525,725	\$3,121,303.86	
FY 83				
Active	133	\$13,365,375	\$12,545,390.15	\$100,492
Cancelled	29	2,762,650		
Paid Off	147	12,430,400		
Foreclosed	3	477,700	401,857.00	
TOTALS	312	\$29,036,125	\$12,947,247.15	
FY 84				
Active	190	\$17,346,012	\$16,471,127.68	\$ 91,295
Cancelled	40	3,383,300		
Paid Off	141	12,262,250		
Foreclosed	12	1,250,550	1,028,715.16	
TOTALS	383	\$34,242,112	\$17,499,842.84	
FY 85				
Active	191	\$16,920,250	\$16,173,105.14	\$ 88,588
Cancelled	51	5,043,650		
Paid Off	261	23,420,975		
Foreclosed	8	793,550	636,256.81	
TOTALS	511	\$46,178,425	\$16,809,361.95	
FY 86				
Active	230	\$22,977,975	\$22,136,534.68	\$ 99,904
Cancelled	48	5,053,700		
Paid Off	72	6,577,825		
Foreclosed	3	291,700	241,000.00	
TOTALS	353	\$34,901,200	\$22,377,534.68	

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<u>FY 87</u>				
Active	267	\$26,333,350	\$25,662,139.79	\$ 98,627
Cancelled	39	4,216,100		
Paid Off	22	2,033,350		
Foreclosed	1	29,000	17,000.00	
<u>TOTALS</u>	<u>329</u>	<u>\$32,611,800</u>	<u>\$25,679,139.79</u>	

<u>FY88</u>				
Active	210	\$20,080,700	\$19,727,238.21	\$ 95,622
Committed	3	239,050		
Cancelled	15	1,630,950		
Paid Off	5	507,950		
<u>TOTALS</u>	<u>233</u>	<u>\$22,458,650</u>	<u>\$19,727,238.21</u>	

<u>FY89</u>				
Active	110	\$10,653,100	\$10,614,381.43	\$ 96,846
Committed	97	9,307,950		
Cancelled	8	984,650		
<u>TOTALS</u>	<u>215</u>	<u>\$20,945,700</u>	<u>\$10,614,381.43</u>	

NONOWNER-OCCUPIED ACTIVITY AS OF 06/30/89

	NO. LOANS	LOAN AMT.	PRIN. AS OF 06/30/89	AVG. LOAN AMT.
<u>FY 83</u>				
Active	22	\$ 6,672,400	\$ 6,400,547.32	\$303,291
Cancelled	6	843,250		
Paid Off	3	233,450		
Foreclosed	3	1,143,900	977,873.60	
<u>TOTALS</u>	<u>34</u>	<u>\$ 8,893,000</u>	<u>\$ 7,378,420.92</u>	

<u>FY 84</u>				
Active	19	\$ 3,965,850	\$ 3,853,146.11	\$208,729
Cancelled	6	1,277,300		
Paid Off	7	696,000		
<u>TOTALS</u>	<u>32</u>	<u>\$ 5,939,150</u>	<u>\$ 3,853,146.11</u>	

<u>FY 85</u>				
Active	21	\$ 5,400,700	\$ 5,252,570.75	\$257,176
Cancelled	3	1,379,400		
Paid Off	29	4,207,200		
Foreclosed	4	2,572,000	1,968,000.00	
<u>TOTALS</u>	<u>57</u>	<u>\$13,559,300</u>	<u>\$ 7,220,570.75</u>	

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FY 86				
Active	8	\$ 2,797,450	\$ 2,758,598.94	\$349,681
Cancelled	3	543,150		
Paid Off	1	364,000		
TOTALS	12	\$ 3,704,600	\$ 2,758,598.94	
FY 87				
Active	1	\$ 200,000	\$ 197,385.20	\$200,000
TOTALS	1	\$ 200,000	\$ 197,385.20	
FY 88				
Active	2	\$ 611,000	\$ 609,722.71	\$305,500
Paid Off	1	\$ 115,500		
TOTALS	3	\$ 726,500	\$ 609,722.71	
FY89				
Active	1	\$ 220,000	\$ 219,554.46	\$220,000
Committed	2	\$ 362,000		
TOTALS	3	\$ 582,000	\$ 219,554.46	

DECLINED LOANS AS OF 06/30/89

	# LOANS	LOAN AMT.
FY 81	17	\$ 1,098,450
FY 82	49	3,110,100
FY 83	44	3,745,300
FY 84	38	3,644,250
FY 85	51	4,956,100
FY 86	22	2,782,950
FY 87	41	3,870,300
FY 88	18	2,013,100
FY89	11	1,127,200
TOTALS	291	\$26,347,750

3. RURAL/URBAN BREAKOUT OF ACTIVE LOANS ALL PROGRAMS AS OF 06/30/89

	# LOANS	LOAN AMT.	PRIN. AS OF 06/30/89
FY 81			
Rural	16	\$ 1,272,800	\$ 1,129,914.71
Urban	2	93,250	\$ 74,399.71
TOTALS	18	\$ 1,366,050	\$ 1,204,314.42
FY 82			
Rural	70	\$ 6,400,550	\$ 5,873,324.18
Urban	3	174,000	\$ 112,590.24
TOTALS	73	\$ 6,574,550	\$ 5,985,914.42

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<u>FY 83</u>			
<u>Rural</u>	184	\$22,062,175	\$20,800,246.06
<u>TOTALS</u>	184	\$22,062,175	\$20,800,246.06
 <u>FY 84</u>			
<u>Rural</u>	210	\$21,387,862	\$20,397,441.68
<u>TOTALS</u>	210	\$21,387,862	\$20,397,441.68
 <u>FY 85</u>			
<u>Rural</u>	212	\$22,320,950	\$21,425,675.89
<u>Urban</u>	1	80,750	79,071.14
<u>TOTALS</u>	213	\$22,401,700	\$21,504,747.03
 <u>FY 86</u>			
<u>Rural</u>	238	\$25,775,425	\$24,895,133.62
<u>TOTALS</u>	238	\$25,775,425	\$24,895,133.62
 <u>FY 87</u>			
<u>Rural</u>	267	\$26,485,850	\$25,812,904.37
<u>Urban</u>	1	47,500	46,620.62
<u>TOTALS</u>	268	\$26,533,350	\$25,859,524.99
 <u>FY 88</u>			
<u>Rural</u>	213	\$20,755,700	\$20,400,598.88
<u>Urban</u>	1	28,500	27,728.25
<u>TOTALS</u>	214	\$20,784,200	\$20,428,327.13
 <u>FY89</u>			
<u>Rural</u>	119	\$11,370,000	\$11,328,671.32
<u>Urban</u>	3	158,750	145,074.39
<u>TOTALS</u>	122	\$11,528,750	\$11,473,745.71

4. RURAL/URBAN BREAKOUT-NONCONFORMING LOAN PROGRAM AS OF 06/30/89

	# LOANS	LOAN AMT.	PRIN AS OF 06/30/89
<u>FY 81</u>			
<u>Rural</u>	16	\$ 1,272,800	\$ 1,129,914.71
<u>Urban</u>	2	93,250	74,399.71
<u>TOTALS</u>	18	\$ 1,366,050	\$ 1,204,314.42
 <u>FY 82</u>			
<u>Rural</u>	43	\$ 3,195,625	\$ 2,879,860.32
<u>Urban</u>	3	174,000	112,590.24
<u>TOTALS</u>	46	\$ 3,369,625	\$ 2,992,450.56
 <u>FY 83</u>			
<u>Rural</u>	29	\$ 2,024,400	\$ 1,854,308.59
<u>TOTALS</u>	29	\$ 2,024,400	\$ 1,854,308.59

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FY 84			
Rural*	1	\$ 76,000	\$ 73,167.89
TOTALS	1	\$ 76,000	\$ 73,167.89

FY 85			
Urban	1	\$ 80,750	\$ 79,071.14
TOTALS	1	\$ 80,750	\$ 79,071.14

*Decrease due to statutory changes in A.S. 44.47.385 which defined rural as it pertained to the Nonconforming Program.

5. AVERAGE AGE OF BORROWER ALL PROGRAMS AS OF 06/30/89

Average age of borrowers for all owner-occupied programs is 36.
Average age of coborrowers for all owner-occupied programs is 33.

6. GROSS INCOME OF BORROWERS ALL OWNER-OCCUPIED LOAN PROGRAMS AS OF 06/30/89

ANNUAL INCOMES	# LOANS	AVERAGE MONTHLY INCOME	AVERAGE ANNUAL INCOME	AVERAGE LOAN AMOUNT
Less than \$10,000	2**			
\$10,000 - \$20,000	30	\$1379	\$16,548	\$ 44,726
\$20,000 - \$30,000	150	\$2181	\$26,172	\$ 61,646
\$30,000 - \$40,000	289	\$2952	\$35,429	\$ 76,194
\$40,000 - \$50,000	305	\$3749	\$44,990	\$ 88,503
\$50,000 - \$60,000	262	\$4562	\$54,753	\$101,776
\$60,000 - \$70,000	171	\$5385	\$64,628	\$110,437
More than \$70,000	257	\$9186	110,236	\$129,122
	1466			

** This number includes files whereby the income information is not on the computer to ensure confidentiality.

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7. TOTAL PORTFOLIO DELINQUENCY AS OF 06/30/89

COMPARISON BY NUMBER:

	TOTAL NO. LOANS	NC. DELINQ LOANS	DELINQ AS % OF TOTAL	DELINQ AS % OF LOAN TYPE
Resold REO	13	0	0	0
Nonconforming	95	6	.4%	6.32%
Rural Owner	1358	78	5.1%	5.74%
Rural Nonowner	74	17	1.1%	22.97%
<u>TOTALS</u>	<u>1540</u>	<u>101</u>	<u>6.6%</u>	<u>N/A</u>

COMPARISON BY DOLLAR AMOUNTS:

	PORTFOLIO'S PRIN. AS OF <u>06/30/89</u>	DELINQ. PRIN. <u>06/30/89</u>	DELINQ. AS % OF <u>TOTAL</u>	DELINQ AS % OF <u>LOAN TYPE</u>
Resold REO	\$ 731,176.03	0	0	0
Nonconforming	6,202,312.60	\$ 376,635.83	.25%	6.07%
Rural Owner	126,323,380.94	\$ 8,110,307.45	5.32%	6.42%
Rural Nonowner	19,291,525.49	\$ 7,086,137.38	4.65%	36.73%
<u>TOTALS</u>	<u>152,549,395.06</u>	<u>\$15,573,080.66</u>	<u>10.2%</u>	<u>N/A</u>

*Foreclosed loans are not included in the computation for delinquency.

8. FORECLOSURES AS OF 06/30/89

COMMUNITY	LTYPE	FY	ORIGINAL LOAN AMOUNT	CURRENT VALUE OF ASSET	PRINCIPAL BALANCE AT FORECLOSURE	TYPE OF DWELL.
ANCHOR POINT	NC	84	\$94,500	\$75,200.00	\$93,291.80	SFR
Subtotal			\$94,500	\$75,200.00	\$93,291.80	1
ANCHORAGE	NC	82	\$158,250	\$100,000.00	\$157,265.16	DUP
Subtotal			\$158,250	\$100,000.00	\$157,265.16	1
ANDERSON	NC	83	\$38,950	\$31,020.00	\$38,788.77	SFR
Subtotal			\$38,950	\$31,020.00	\$38,788.77	1

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BETHEL	RO	82	\$160,000	\$127,840.00	\$156,225.23	DUP
BETHEL	RO	83	\$138,700	\$110,000.00	\$137,527.54	DUP
BETHEL	RNO	83	\$427,500	\$412,388.98	\$412,388.98	M06
BETHEL	RO	84	\$114,550	\$93,000.00	\$112,414.08	SFR
BETHEL	RO	84	\$117,300	\$108,000.00	\$114,506.21	SFR
BETHEL	RC	84	\$99,750	\$85,000.00	\$97,028.75	SFR
BETHEL	RO	84	\$61,950	\$29,000.00	\$60,394.76	SFR
BETHEL	RNO	85	\$288,000	\$270,000.00	\$286,285.09	M04
BETHEL	RO	85	\$105,450	\$87,000.00	\$104,304.69	SFR
BETHEL	RO	85	\$76,000	\$69,000.00	\$74,650.32	SFR
BETHEL	RO	86	\$143,500	\$130,000.00	\$141,916.13	SFR

Subtotal			\$1,732,700	\$1,521,228.98	\$1,697,641.78	11
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DELTA JUNCTION	NC	82	\$52,250	\$41,830.00	\$51,592.90	SFR
DELTA JUNCTION	RNO	85	\$661,600	\$418,000.00	\$659,985.12	M13
DELTA JUNCTION	RNO	85	\$1,014,400	\$720,000.00	\$1,012,766.23	M16

Subtotal			\$1,728,250	\$1,179,830.00	\$1,724,344.25	3
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DILLINGHAM	RO	85	\$112,000	\$89,300.00	\$111,234.19	SFR
DILLINGHAM	RNO	85	\$608,000	\$560,000.00	\$603,311.95	M08

Subtotal			\$720,000	\$649,300.00	\$714,546.14	2
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FAIRBANKS	NC	82	\$50,000	\$39,950.00	\$49,186.98	SFR
FAIRBANKS	NC	83	\$52,250	\$38,940.00	\$51,962.55	SFR
FAIRBANKS	NC	83	\$66,500	\$52,640.00	\$65,543.47	SFR
FAIRBANKS	NC	84	\$47,500	\$35,000.00	\$46,732.35	SFR
FAIRBANKS	NC	84	\$69,350	\$54,000.00	\$68,583.24	SFR
FAIRBANKS	NC	84	\$77,900	\$45,000.00	\$77,409.37	SFR
FAIRBANKS	NC	85	\$78,350	\$61,807.00	\$77,916.84	SFR
FAIRBANKS	NC	85	\$12,850	\$10,193.00	\$12,662.30	SFR

Subtotal			\$454,700	\$337,530.00	\$449,997.10	8
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KENAI	NC	84	\$77,500	\$49,000.00	\$76,895.08	SFR
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Subtotal			\$77,500	\$49,000.00	\$76,895.08	1
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KIANA	RNO	83	\$148,400	\$144,984.62	\$144,984.62	DUP
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Subtotal			\$148,400	\$144,984.62	\$144,984.62	1
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Portfolio Analysis
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KING SALMON	RC	83	\$204,000	\$159,800.00	\$199,035.67	DUP
Subtotal			\$204,000	\$159,800.00	\$199,035.67	1
KOTZEBUE	RO	84	\$133,000	\$115,000.00	\$130,018.43	SFR
KOTZEBUE	RO	84	\$134,900	\$107,630.00	\$133,606.31	SFR
KOTZEBUE	RO	84	\$124,000	\$123,285.16	\$123,285.16	DUP
KOTZEBUE	RO	85	\$100,350	\$80,000.00	\$99,322.84	DUP
KOTZEBUE	RO	86	\$83,600	\$64,000.00	\$82,292.56	SFR
Subtotal			\$575,850	\$489,915.16	\$568,525.30	5
NENANA	NC	81	\$147,750	\$117,970.00	\$143,210.43	SFR
Subtotal			\$147,750	\$117,970.00	\$143,210.43	1
NOME	NC	82	\$147,600	\$104,450.00	\$139,265.68	DUP
NOME	RNO	83	\$568,000	\$420,500.00	\$557,876.54	M08
NOME	RO	83	\$135,000	\$132,057.00	\$132,056.00	DUP
NOME	RO	84	\$100,000	\$94,000.00	\$98,622.22	SFR
NOME	RO	84	\$120,000	\$94,500.00	\$118,223.86	SFR
NOME	RO	84	\$67,000	\$55,000.00	\$65,109.63	SFR
NOME	PO	85	\$70,750	\$62,000.00	\$69,632.87	SFR
NOME	RO	85	\$104,500	\$52,000.00	\$102,763.89	SFR
NOME	RO	85	\$120,000	\$119,456.81	\$119,456.81	DUP
NOME	RO	85	\$104,500	\$77,500.00	\$103,285.10	DUP
NOME	RO	86	\$64,600	\$47,000.00	\$63,459.87	SFR
Subtotal			\$1,601,950	\$1,258,463.81	\$1,569,752.47	11
PALMER	RO	87	\$29,000	\$17,000.00	\$28,784.18	SFR
Subtotal			\$29,000	\$17,000.00	\$28,784.18	1
PETERSBURG	RO	84	\$87,850	\$49,000.00	\$85,744.52	SFR
PETERSBURG	RO	84	\$90,250	\$75,300.00	\$89,183.76	DUP
Subtotal			\$178,100	\$124,300.00	\$174,928.28	2
WILLOW	NC	82	\$38,000	\$30,080.00	\$36,947.54	SFR
Subtotal			\$38,000	\$30,080.00	\$36,947.54	1
GRAND TOTALS			\$7,927,900	\$6,285,622.57	\$7,818,938.57	51

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9. PORTFOLIO BY COMMUNITY AS OF 06/30/89

<u>COMMUNITY</u>	<u>LOAN AMOUNT</u>	<u>PRINCIPAL BALANCE</u>	<u># OF LOANS</u>
AMBLER	\$20,000	\$19,321.84	01
ANCHOR POINT	\$156,750	\$153,074.03	02
ANCHORAGE	\$364,400	\$346,654.10	06
ANGOON	\$106,250	\$106,250.00	01
ANIAK	\$1,563,450	\$1,515,310.57	18
BARROW	\$1,963,500	\$1,918,332.42	09
BELUGA RIVER	\$196,500	\$167,893.42	02
BETHEL	\$16,727,700	\$16,265,727.81	158
CENTRAL	\$68,000	\$58,081.89	01
CHEVAK	\$55,500	\$50,192.59	02
CHINIAK	\$500,300	\$479,132.21	06
CORDOVA	\$4,428,950	\$4,350,008.49	47
CRAIG	\$3,755,500	\$3,584,315.31	43
DELTA JUNCTION	\$76,000	\$73,167.89	01
DILLINGHAM	\$10,044,000	\$9,685,884.52	84
EAGLE	\$120,500	\$97,319.69	02
ELFIN COVE	\$73,800	\$72,623.19	01
ELIM	\$140,800	\$137,647.96	01
EMMONAK	\$150,700	\$146,376.90	03
FAIRBANKS	\$185,250	\$181,046.64	04
FORT YUKON	\$279,625	\$257,005.74	06
FUNTER BAY	\$80,000	\$76,522.86	01
GALENA	\$1,365,100	\$1,309,729.98	19
GUSTAVUS	\$168,350	\$162,466.69	03
HAINES	\$2,713,900	\$2,663,436.76	31
HALIBUT COVE	\$130,800	\$129,776.57	01
HOLLIS	\$112,250	\$105,285.34	03
HOONAH	\$566,650	\$547,673.65	10
ILIAMNA	\$549,000	\$527,097.70	04
KAKE	\$65,000	\$64,224.64	01
KASIGLUK	\$240,350	\$231,692.57	04
KIANA	\$73,000	\$66,092.73	02
KING COVE	\$90,250	\$88,436.76	01
KING SALMON	\$2,877,250	\$2,765,201.68	16
KLAWOCK	\$1,104,900	\$1,035,885.47	08
KODIAK	\$32,634,450	\$31,607,969.02	282
KODIAK AK	\$95,000	\$95,000.00	01
KOTZEBUE	\$14,772,400	\$14,194,098.73	102
KUPREANOF	\$105,000	\$82,648.42	02
KUPREANOF ISLAND	\$90,000	\$87,662.61	01
LAKE MINCHUMINA	\$28,900	\$28,090.84	01
LARSEN BAY	\$40,000	\$39,381.51	01
LITTLE DIOMEDE	\$24,000	\$22,658.41	01
MANLEY HOT SPRINGS	\$26,600	\$24,508.36	01