

AHFC Housing Loan Program/Teacher/Health Professionals Housing

FY2004 Request: \$4,300,000
Reference No: 37918

AP/AL: Appropriation

Project Type: Transitional

Category: Housing/Social Services

Location: Statewide

Contact: Les Campbell

House District: Statewide (HD 1-40)

Contact Phone: (907)330-8356

Estimated Project Dates: 07/01/2003 - 06/30/2008

Brief Summary and Statement of Need:

Corporate (AHFC) funds to supplement the corporation's popular housing programs. This new program will help replace diminishing arbitrage funds. These funds will allow AHFC to continue current programs and expand business opportunities with new programs such as Teacher Housing Program(s) and Health Professionals Housing Program(s). It will also provide funds to support a statewide housing conference.

Funding:	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	Total
AHFC Div	\$4,300,000	\$5,335,700	\$6,000,000	\$7,000,000	\$8,000,000	\$8,000,000	\$38,635,700
Total:	\$4,300,000	\$5,335,700	\$6,000,000	\$7,000,000	\$8,000,000	\$8,000,000	\$38,635,700

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

Requested funds in FY2003.

Project Description/Justification:

The purpose of this program is to increase home ownership for low-income borrowers by subsidizing interest rates based on family income and family size.

The projected outcomes are:

- Increasing affordability for housing purchases by low- to moderate-income families;
- Increasing home ownership;
- Lowering interest rates on AHFC mortgage programs to attract loan volume and generate net income;
- A statewide housing conference.

Program Description:

AHFC has successfully managed the use of excess arbitrage funds with interest rate reduction programs for mortgage loans to low-income families, special needs populations, senior citizens, and for energy efficiency improvements. These programs lower interest rates on mortgage purchases in order to improve affordability for Alaskan home buyers, and to offer housing loans below the rates of national secondary mortgage purchasers (e.g. Fannie Mae & Freddie Mac).

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The primary purpose of these funds is to provide Alaskans housing programs that are affordable by supplementing arbitrage funds to continue established programs that provide business opportunities to enhance the corporation's net income. In addition to the established programs, AHFC anticipates developing new opportunities with programs such as the Teacher Housing Program(s) and the Health Professionals Housing Program(s).

The corporation – based on loan demand, interest rate fluctuations, and market conditions – may change rate reductions and certain eligibility criteria.

The corporation will contribute funds toward sponsoring a statewide housing conference to bring together all aspects of the housing industry. AHFC expects other entities and agencies to also contribute toward this event.