



HOME BUY DOWN PROGRAM

ELIGIBILITY GUIDELINES

Eligibility is based on household gross income using the following criteria:

Eligibility is based on all household members' gross income using the following criteria:

The Home Buy-Down is specifically designed to provide affordability of homeownership for income qualified American Indian/Alaska Natives (AI/AN) by attacking barriers at several levels simultaneously.

- Buyer is required to pay a minimum of \$2,500 towards closing costs and escrow
- KICHA pays for Home Inspection Cost – Up to \$600
- KICHA pays for Down Payment – Up to \$30,000
- KICHA pays for closing costs – Up to \$2,500

Should the homeowner sell the property within the first five years, the Housing Program will recover 100% of the 2nd Mortgage plus interest (4% minimum) amount as part of any sales transaction. Sale of the property between the sixth and final year of their note would result in a diminishing portion of repayment of the 2nd Mortgage.

- Copies of the most recent calendar month's income verification prior to award
- Copies of 3 Previous year's tax return
- The self-employment worksheet for self-employed household members for the prior 12 months.

The standard used to determine maximum allowable income for eligibility is 80% of the median income guidelines issued annually by Housing and Urban Development (HUD) for the Ketchikan Gateway Borough area.
Maximum eligible income **FY2021** to May is:

Persons in Household	Annual Income	Monthly Income
1	\$52,584	\$4,382
2	\$60,096	\$5,008
3	\$67,608	\$5,634
4	\$75,120	\$6,260
5	\$81,130	\$6,761
6	\$87,139	\$7,262
7	\$93,149	\$7,762
8	\$99,158	\$8,263

Grant awards will begin in January of each year

Special Requirements for Home Buy-Down Program:

This program provides a deferred grant/loan to qualified first-time homebuyers to assist with a down-payment for the purchase of a single-family home in standard condition. The purpose of this loan is to enable first-time homebuyers to secure financing for a home loan, who otherwise may not qualify due to the lack of sufficient down payment funds.

Eligibility Requirements

Home Buy-Down Assistance Grants and Loans may be awarded and applied toward the purchase of a primary residence under the following conditions:

- a. In addition to eligibility requirements described in this policy, applicants for the Home Buy Down Program must be first-time homebuyers. Applicant families must demonstrate that, contingent upon receiving assistance from the tribe, they qualify for a home loan from a lending institution approved by Alaska Housing Finance Corporation. (List attached)
- b. Applicants may be required to participate in a tribally-sponsored or approved homebuyer education program prior to their selection, to obtain information about the home buying process and homeownership responsibilities.
- c. Applicants will be pre-screened to determine their ability to qualify for financing at the time of their application and prior to approval of any award. **Applicants will be given ninety days, from the date they are notified of their selection, to provide assurance pre-approval letter from the lending institution or seller. If the applicant fails to meet the ninety-day deadline, their application will be removed from the waiting list.**

Property Eligibility Requirements

- a. The property must be legally zoned for residential use.
- b. The dwelling must be a site-built home (or other approved technology), a modular home, as defined, or a manufactured home.
- c. If the dwelling is a new manufactured home, it must have a minimum of 840 square feet of living space, and meet all state and local construction and placement specifications for the area in which it will be located.
- d. If the dwelling is a pre-owned manufactured home (mobile), it must be no more than ten (10) years old, and meet the above requirements.
- e. All homes must be in standard condition and meet inspection requirements of the lender. In the case of a land sale contract, the home and property must meet the inspection requirements. See item "G" of the Terms and Conditions below.
- f. Ineligible properties include, but are not limited to: vacant land and rental or commercial property.
- g. Manufactured homes may be:
 - (i) Placed on land which is owned by the recipient; or
 - (ii) Purchased as a package with land; or
 - (iii) Placed on land with a long-term lease; or
 - (iv) Placed in a mobile/manufactured home park with a long-term lease.

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- h. The home to be purchased must be of a “moderate design”, which means that the home to be acquired must be comparable with respect to size, cost and amenities to other homes in the area with the same number of bedrooms that are offered for sale to buyers at or below the area median income.

Terms and Conditions

The maximum amount of down payment assistance shall be \$33,100 of the purchase price.

- a. KICHA will provide up to \$30,000 toward the down payment for the loan.
- b. The recipient shall contribute \$2,500 towards closing costs. KICHA will provide up to \$2,500 in additional funds towards closing costs as needed but in no case will KIC’s contributions in total with recipient contribution exceed the total closing costs.
- c. The grant/loan must be used within a specified period of time of approval for program participation (purchase commitment within 90 Days), or it will be forfeited to the next applicant on the waiting list and the original recipient will have the option to be removed from or placed at the end of the waiting list. In the event a purchase commitment cannot be entered into within the three month period, a time extension may be granted at the discretion of the housing director, based upon the circumstances.
- d. Assistance shall be in the form of a deferred grant/loan secured by a 2nd Mortgage. Under this Agreement, if the recipients sells, or otherwise loses the home within the first five (5) years of the loan KICHA must be reimbursed 100% plus interest of 4%. After five years KICHA will begin forgiving 20% of the grant/loan at the end of each year the family remains in the home, so that the 2nd Mortgage is fully forgiven after a total of 10 years. During this 10-year period the recipient must agree to maintain Homeowner’s Insurance on the dwelling, naming the KICHA as a loss payee for up to the amount of the down payment assistance. Insurance certificates must be provided to the KICHA annually. **Failure to abide by the insurance requirements may result in termination and required repayment of Home buy-down funds.**
- e. The grant/loan monies will be released to the Title Company or appropriate third party closing agent at the time of closing. KICHA may restrict closing to local title companies at its discretion.
- f. KICHA will provide up to \$600 for home inspection.

Signature and Date of adult household members:

Applicant: _____ Co-Applicant _____

Date _____

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Closing the Loan:

Several documents need to be executed by the prospective owner for the lending institution and KICHA housing program at the closing of the loan. The housing program's loan documents need to be executed and recorded at the same time the lender loan is closed.

The following checklist outlines the documents KICHA housing program must have in its files for each prospective owner before closing the Second Mortgage Loan:

KICHA REQUIRES ALL DOCUMENTS PRIOR TO CLOSING TO ENSURE TIMELY AVAILABILITY OF FUNDING

Failure to have all documents may result in delayed availability of KICHA funds

- Verification of income being within published income limits
- Verification of Certificate of Indian Blood or Tribal Enrollment
- Verification of first time homebuyer
- Earnest Money Agreement
- Closing Disclosure (CD) and Loan Estimate (LE) from lending institution
- Financial lending institute identified with Release of Information form signed by applicant.
- Closing Company identified with copy of Title Insurance Policy
- Copy of Home Inspection conducted and passed.
- Environmental Review conducted by KICHA.

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For office use only	
Date Received:	_____
Time Received:	_____
Service Date:	_____
Grant Amount:	_____

2021 KIC Housing Authority Home Buy-Down Program Application

Before completing this application, carefully read the "Eligibility Guidelines"

Part 1. Personal Information

Your Social Security Number: <div style="border: 1px solid black; width: 100%; height: 20px; display: flex; align-items: center; justify-content: center;"> / / </div>	Disclosure of Social Security Number for the primary applicant is required. If you do not provide your verifiable social security number, your application cannot be processed. KIC will use Social Security Numbers to verify information supplied on the application, to prevent, detect, and correct fraud, waste, and abuse, and for the purpose of responding to requests for information from agency programs funded by block grants
Your Name: _____ DOB: ____/____/____ <div style="display: flex; justify-content: space-between; width: 100%; margin-top: 5px;"> _____ _____ _____ </div> <div style="display: flex; justify-content: space-between; width: 100%; margin-top: 5px;"> First Name M.I. Last Name </div>	
Current Home Address: _____ AK _____ <div style="display: flex; justify-content: space-between; width: 100%; margin-top: 5px;"> Street Apt. City State Zip </div>	
Mailing Address: _____ AK _____ <div style="display: flex; justify-content: space-between; width: 100%; margin-top: 5px;"> Street Apt. City State Zip </div>	
() _____ () _____ Home Phone: _____ Daytime or other phone	
Email: _____	

Part 2. Household Information

List all household members starting with applicant

First, M.I., Last name	Social Security	DOB mm/dd/yyyy	Tribal Member Number	Relationship to applicant
	- -	/ /		Self
	- -	/ /		
	- -	/ /		
	- -	/ /		
	- -	/ /		

List emergency contacts

First, Last name	Address	Contact Numbers	Relationship to applicant

SOURCES OF INCOME AND OTHER ASSISTANCE

(Check all that apply for your household and send proof of income)

<input type="checkbox"/> Wages	<input type="checkbox"/> State of Alaska Senior Benefits	<input type="checkbox"/> Self-Employment/Farm Income* Date Business started: _____
<input type="checkbox"/> Alaska PFD	<input type="checkbox"/> Rental Income	<input type="checkbox"/> Unemployment Compensation
<input type="checkbox"/> Workers' Compensation	<input type="checkbox"/> Interest or Dividend Income	<input type="checkbox"/> Contract for Deed Interest
<input type="checkbox"/> Veterans' Benefits	<input type="checkbox"/> Social Security Retirement Benefits	<input type="checkbox"/> Social Security Disability Income (SSDI)
<input type="checkbox"/> Supplemental Security Income (SSI)	<input type="checkbox"/> Retirement Survivors Disability Insurance (RSDI)	<input type="checkbox"/> Retirement Income
<input type="checkbox"/> Pension/Annuity (including quarterly and annual)	<input type="checkbox"/> Judgments or ANSCA Per Capita Payments	<input type="checkbox"/> Diversionary Work (DWP)
<input type="checkbox"/> Long/Short-term Disability	<input type="checkbox"/> FIP	<input type="checkbox"/> General Assistance (GA)
<input type="checkbox"/> Alimony or Spousal Support	<input type="checkbox"/> Other:	<input type="checkbox"/> Child Support (is not income)
<input type="checkbox"/> Food Support (is not income)	<input type="checkbox"/> Earned Income Tax Credit	<input type="checkbox"/> No Income

This page must be completed with all employment information before application will be considered, if you are not employed be sure to put N/A. Income earned by *all* household members must be reported. Upon selection you will be required to submit complete copies of federal tax returns and/or most recent month income verification for all adult residents.

Head of Household Employer:	
Position:	
Employer Address:	
Work Phone Number:	Date Employed:
Gross (Before Taxes) Monthly Earnings \$	
Co-Head of Household Employer:	
Position:	
Employer Address:	
Work Phone Number:	Date Employed:
Gross (Before Taxes) Monthly Earnings \$	
Other Adult Household Member Employer:	
Position:	
Employer Address:	
Work Phone Number:	Date Employed:
Gross (Before Taxes) Monthly Earnings \$	

Applicant Income
(From tax returns)

Co-Applicant Income
Or other adult household member

2016 \$ _____

2016 \$ _____

2017 \$ _____

2017 \$ _____

2018 \$ _____

2018 \$ _____

Please provide proof of assets: (bank statements, account statements, etc.)

Total Family Assets:

Current Monthly Expenses:

Cash in Savings	\$	Rent	\$
Stocks & Bonds	\$	Utilities	\$
Life Insurance	\$	Debt Payments	\$
Cash Value	\$	Student Loan	\$
Mobile Home	\$	Insurance	\$
Other Assets	\$	Telephone	\$
Other Assets	\$	Child Care	\$
		Car Payments	\$
		Other (Food, clothing Etc.)	\$
TOTAL	\$	TOTAL	\$



Ketchikan Indian Community Housing Authority

Authorization for Release of Information 2021

1. I give my consent and authorization for any Federal, State, or local agency to release to the Ketchikan Indian Community Housing Authority (KICHA) any information needed to complete and verify my application for assistance.
2. I authorize the Social Security Administration and the Alaska Department of Health and Social Services (ADHSS) and its affiliated agencies to share with KICHA data concerning my Social Security Number and public benefits received within the last year for eligibility for benefits.
3. I authorize KICHA to:
 - Contact my employer to verify my income.
 - If I rent, to contact my landlord to confirm my residency and standing.

By signing, I affirm that all data in this application is correct. I also acknowledge that:

- I currently reside in the address listed on this application.
- I am signing on behalf of all household members.
- I may have to prove my statements.
- I may be held civilly or criminally liable under federal or state law for knowingly making false or fraudulent statements.
- I understand that filling out this application does not guarantee that my household

Head-of-Household	
Print Name _____	Birth Date ___/___/___
Social Security Number _____	
Signature _____	Date ___/___/___
Co-Applicant	
Print Name _____	Birth Date ___/___/___
Social Security Number _____	
Signature _____	Date ___/___/___
Adult Member	
Print Name _____	Birth Date ___/___/___
Social Security Number _____	
Signature _____	Date ___/___/___

I authorize release of information regarding my credit, references (personal/landlord etc.) criminal history, and financial information to a representative of KICHA for period of (1) year from the date signed.



APPLICATION CHECKLIST

Please review application for completeness prior to mailing or delivering to KICHA

KIC Housing Authority Home Buy-Down Program Application

Personal and contact information

- Completed Application – Signed and dated.
- Copy of either KIC enrollment card, Certificate of Indian Blood or Tribal enrollment card - for all household members
- Copy of Picture I.D – for all household members
- Copy of Social Security Card – for all household members

Income Information

- Copy of most recent month's income
- Copy of previous 3 years' tax returns – All Adults

Certifications

- Signed Program Requirements Certification
- Signed Release of Information page 9

Program Requirements Certification

All annual household income must be reported to the Ketchikan Indian Community Housing Authority

Please initial each page and sign at bottom

Annual Income

Annual Income is the anticipated total income from all sources received by the individual or household member's (even if temporarily absent); including all net income derived from assets, for the 12 month period following the effective date of the initial determination or reexamination of income.

Income includes, but is not limited to:

- The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commission fees, tips and bonuses, and other compensation for personal services including all regular pay, special pay and allowances of a member of the Armed Forces.
- Permanent Fund Dividends and Native Corporation Dividends for all household members;
- The full amount of period payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment;
- Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
- The net income from operation of a business or profession;
- Interest, dividends and other net income of any kind from real or personal property;
- Income derived for all family assets or a percentage of the value of such assets based on current passbook savings as determined by the U.S. Department of Housing and Urban Development (HUD);
- Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.

Eligibility for the Home Buy Down Program

Your application for the Home Buy-Down Program may be approved for processing based upon information you have provided KICHA regarding your current income and your "first time homeowner" status. Certification of eligibility for the program must be completed before you can close on a mortgage loan. Determination of your final eligibility will be based upon accuracy and completeness of information you have provided to us, changes in household income from the date of application, changes in the household composition and compliance with all other terms and conditions of the program.

The Lending Institution

The applicant is referred to a roster of lending institutions, which they can choose from. The lending institution will:

- Determine applicant's credit worthiness;
- Be solely responsible for approving or denying the loan;
- Perform a credit check which is paid for by the applicant (expires in 90 days);
- Verifies your checking, savings and investment accounts and
- Must participate in the KICHA Home Buy-Down Program.

Lending institution considerations:

- The lending institution at no cost may provide a "Good Faith Estimate" with the loan amount you may qualify for to the applicant
- The applicant may begin searching for a home within the loan amount quoted in the "Good Faith Estimate."
- The home must meet all Home Buy-Down Program requirements and pass the Housing Quality Inspection.
- Some lenders can offer subsidized interest rates for those who qualify.

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Earnest Money Agreement

It is recommended that language similar to the following be added as an “additional term and condition” in any earnest money agreement entered into.

This offer is contingent upon the property qualifying under HUD Quality Standards, and continued compliance with the Home Buy down Program, and continued availability of Home Buy-Down Program funds.

Before signing an Earnest Money Receipt and Agreement to Purchase, the Home Buy-Down Program recommends the applicant have the Earnest Money Agreement reviewed by an attorney. The Home Buy-Down Program *does not* pay for costs of this review.

Termination from the Home Buy-Down program for providing false, inaccurate or incomplete information may result in the loss of your earnest money. You may be liable to the seller of the unit for any costs incurred by this agreement.

The Home Buy-Down Program requires that the applicant contribute a minimum of \$1,000.00 in earnest money. This will reduce the amount of the required recipient closing cost contribution by \$1,000.00.

NOTICE: It is the responsibility of the applicant to provide a copy of any Earnest Money Agreement entered into to the KICHA Home Buy-Down Program staff. Failure to provide a copy may delay closing on your home due to availability of Program Funding.

Appraisal

The appraisal is ordered by the lending institution and paid for by the buyer or seller or split, however indicated by the Earnest Money Agreement.

Housing Quality Inspection

The Housing Quality Inspection is ordered by the lending institution, paid for by the buyer and performed by a Certified Home Inspector. The home selected by the applicant must pass the Housing Quality Inspection by KICHA before closing the mortgage loan.

Home Buy-Down Program

Once the Primary lender has approved the applicant, the Home Buy-Down Program can provide a second mortgage loan of up to \$30,000. A Commitment Letter of this funding is given to buyer and lender which contingent upon program funding availability.

Example: The total purchase price of a home is \$200,000.

- ❖ You find a home for a total purchase price of \$200,000
- ❖ The Home Buy-Down Program \$30,000 down will bring the cost of the first mortgage to \$170,000.
- ❖ Closing costs = \$5,800 = \$175,800
- ❖ The applicant pays \$2,500 down at closing (\$1,000 in the form of earnest money)
- ❖ Additionally, up to \$2,500 in closing costs will be paid by the Home Buy-Down Program.
- ❖ Additional \$ 800 in closing costs paid by applicant (required \$2,500 + \$800 = \$ 3,300)
- ❖ KICHA will pay for home inspection up to \$600

Second Loan Documents

The applicant must be willing to sign a first and second mortgage. KICHA is the mortgagee of the second mortgage on the home. KICHA recommends the applicant to have the Second Loan Documents reviewed by an attorney. KICHA does not pay for the cost of this review.

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Owner Occupancy

To be eligible for the Home Buy-Down Loan, the applicant must certify that the subject property will be owner occupied.

Resale Restrictions

If the homebuyer decides to sell the home or defaults on the loan, KICHA has the first option to purchase the home.

If the homebuyer remains in the home for five full years, the KICHA will forgive the interest. If the homebuyer remains in the home for the full ten years, the KICHA will forgive the second mortgage.

If the homebuyer decides to sell the home or defaults on the loan within the first five years, the homebuyer must repay the full amount of the second loan provided by the Home Buy-Down Program at a minimum of four percent (4%) interest. If the homebuyer decides to sell the home or defaults on the loan after the first five years but before the first 10-year second mortgage term ends, homebuyer must pay remaining second loan amount on pro-rated schedule.

I have read and understand these requirements and certify compliance with all parts of this document:

Signed: _____ **Date:** ____ / ____ / ____

Signed: _____ **Date:** ____ / ____ / ____

Signed: _____ **Date:** ____ / ____ / ____

Approved Lenders

List of AHFC-approved lenders with their website links. Other lenders may offer AHFC loans in partnership with an approved lender.

<p>Alaska USA Federal Credit Union P.O. Box 196613 Anchorage, AK 99519-6613 907-786-2777 ~ 907-786-2734 (fax)</p>	<p>Alaska USA Mortgage Company 800 W. 36th. St. Anchorage, AK 99503 907-563-3033 ~ 907-261-3401 (fax)</p>
<p>Cornerstone Home Lending, Inc. 3150 C. Street, Ste. 260 Anchorage, AK 99503 907-205-4234</p>	<p>Denali Home Loans 471 W. 36th. Ave. Ste. 110 Anchorage, AK 99503 907-257-1601 ~ 907-222-5700 (fax)</p>
<p>Denali State Bank 119 N. Cushman Ste. 100 Fairbanks, AK 99701 907-458-4202 ~ 907-458-4230 (fax)</p>	<p>First Bank 2030 Sea Level Dr. Ketchikan, AK 99901 907-228-4242 ~ 907-228-4421 (fax)</p>
<p>First National Bank Alaska 101 W. 36th St. Ste. 216 Anchorage, AK 99503 907-777-5600 ~ 907-777-5681 (fax)</p>	<p>Guild Mortgage A-440 & A-480 W. Tudor Rd. Anchorage, AK 99503 907-891-8650</p>
<p>Homestate Mortgage Company 3801 Centerpoint Dr., Ste. 100 Anchorage, AK 99503 907-762-5890 ~ 907-762-5899 (fax)</p>	<p>Kodiak Island Housing Authority 3137 Mill Bay Rd. Kodiak, AK 99615 907-486-8111 ~ 907-486-8723 (fax)</p>
<p>Mat-Valley Federal Credit Union 501 N. Main St., Ste. 120 Wasilla, AK 99654 907-745-9165 ~ 907-745-9168 (fax)</p>	<p>Mt. McKinley Bank P.O. Box 73880 Fairbanks, AK 99707 907-452-1751 ~ 907-451-4681 (fax)</p>
<p>NeighborWorks Anchorage - Housing 480 W. Tudor Rd. Anchorage, AK 99503 907-677-8490 ~ 907-677-8450 (fax)</p>	<p>Northrim Bank P.O. Box 241489 Anchorage, AK 99524-1489 907-261-3337 ~ 907-261-3387 (fax)</p>
<p>Primary Residential Mortgage, Inc. 4240 Old Seward Hwy Ste. 12 Anchorage, AK 99503 907-331-4000 Single-Family</p>	<p>Residential Mortgage, LLC 100 Calais Dr., Ste. 100 Anchorage, AK 99503 907-220-8800 ~ 907-222-8801 (fax)</p>
<p>Spirit of Alaska Federal Credit Union 14711 Gillam Way Fairbanks, AK 99701 907-459-5970 ~ 907-459-5980 (fax)</p>	<p>Tlingit-Haida Regional Housing Authority P.O. Box 2237 Juneau, AK 99803-2237 907-780-6868 ~ 907-780-6895 (fax)</p>
<p>Tongass Federal Credit Union 2000 Tongass Ave. Ketchikan, AK 99901 907-225-9063 ~ 907-225-0349</p>	<p>True North Federal Credit Union P.O. Box 34157 (2777 Postal Way) Juneau, AK 99803 907-523-4778 ~ 907-586-8078</p>
<p>Wells Fargo Bank Commercial Real Estate Group 301 W. Northern Lights Blvd., Ste. 201 Anchorage, AK 99503 907-265-2878 ~ 907-263-2582 (fax)</p>	<p>Wells Fargo Home Mortgage 1500 W. Benson 4th Floor Anchorage, AK 99503 907-257-3600 ~ 907-257-3481 (fax)</p>