

March 10, 2023



Dave Windsor's 'Alaska Real Estate'

as published in the Anchorage Daily News

Rehab Loan May Solve A Program

RE/MAX Dynamic Properties * 907-727-3300 * windsor@alaska.net * www.davewindsor.com

Are you exhausted from competing in a low inventory market with multiple offers and higher prices dominating?

Here's an idea – Why not buy a property for less money and turn it into your dream home rather than paying too much for the dream home that everyone else wants besides yourself?

Alaska Housing Finance Corporation has a Renovation Loan that may work for you where you can borrow the additional money to remodel or otherwise improve the home you are buying. Recent borrowers have obtained as much as \$300,000 to \$400,000 from this program to upgrade a property, although the work must be completed in a timely fashion.

You simply need a licensed contractor's signed bid for your work-plan and then the Appraiser on your purchase will appraise the value for the loan as though it was all done now. You do not have to use that particular contractor for the actual work. You can even do the

work yourself if you can demonstrate your qualifications to do so.

The program is somewhat complex because your lender will sell their loan to Alaska Housing once a substantial part of the work is complete. Usually the lender will do a 180 day lock or, on occasions, a 360 day lock so that they can sell the loan to AHFC at the end of that period. AHFC require the outstanding work to be down to \$75,000 or less when they buy the loan from your Lender and all health and safety issues must be complete at that time..

The program is available in Anchorage for single family homes, duplexes, tri-plexes or even 4-plexes provided you owner-occupy the property. In rural areas owner/occupancy is not required. Funds will be escrowed with a 10% overrun contingency and, upon completion, any unused escrow simply goes to reducing the principal balance of your total loan.

Keep in mind that not all Alaska Lenders are approved agents for AHFC, though even those non-approved lenders

may have renovation loan products of their own. There are around 10 lenders in Anchorage approved to market AHFC programs so be sure to find one. Other lenders may have a program but AHFC, being State owned, is peculiarly invested in helping you to work with the increasingly ageing inventory on the market.

Call your Lender, or your Realtor, or start browsing under 'Buy a Home' (Renovation Loans) at www.ahfc.us.

Dave Windsor

