

Unique Home Loans offered for Alaska home buyers!

Alaska offers a unique and favorable mortgage lending environment. For many years FNMA has authorized higher mortgage loan limits for Alaska and Hawaii. Currently the FNMA loan limit for single family homes and condominiums located in Alaska is \$625,500. This is in contrast to the \$417,000 loan limit available in the lower 48 states. Since VA follows FNMA loan limit amounts, we can also finance homes in Alaska up to \$625,500 with zero down payment for qualified Veterans. Here is a summary of our most popular loan programs available.

Federal VA

Since the VA loan limit in Alaska is \$625,500, Veterans have the opportunity to successfully utilize VA Bonus Entitlement. As a result, many Veterans have been able to obtain a second zero down payment VA Loan, even though they still have another outstanding VA loan. VA lets us count 75% of the gross rental income from properties that are held for investment, which helps offset other mortgage payments when calculating debt to income ratios. Also, VA has no equity requirements when using departing residence rental income. Additionally, depending on rank, all active military members receive an additional, sizeable tax free housing allowance.

Alaska Housing Finance Corporation

Alaska Housing Finance Corporation (AHFC) is a self-supporting public corporation formed by the State Legislature to provide liquidity to the Alaska mortgage market. AHFC offers several unique loan programs designed to assist first time home buyers and Veterans. AHFC loans are available through Alaska based approved lenders. AHFC will lend up to \$688,050 for a single family home. As a result, Jumbo loans are rarely used here. AHFC financing can be combined with VA, FHA, or Conventional financing.

FHA

FHA loans are available to finance the purchase of one to four family properties. Down payments as low as 3.5% are available. The FHA loan limits vary throughout the state, but the Single Family loan limit in the Anchorage greater metropolitan area is \$355,050. A borrower may simultaneously have more than one FHA, but certain restrictions apply.

Conventional

FNMA financing allows financing of owner occupied, second homes, and investment properties. They will provide financing for one to four family dwellings. They require a minimum 20% down payment for 2-4 family dwellings. Since FNMA requires loan level price adjustments for most loans, it is often advantageous to consider AHFC or other financing options.

HUD184

This loan program is available to certain Alaska Natives and American Indians. The minimum down payment is only 2.25%, and there is no monthly mortgage insurance premium. The loan limit in the greater Anchorage metropolitan area is \$408,598.

USDA Rural Development

The USDA Single Family Housing Guarantee Loan Program is a zero down payment program for borrowers wishing to live in a rural setting. The Municipality of Anchorage is not approved for RD Loans, but many parts of the nearby Matanuska-Susitna Borough are eligible. Certain income restrictions apply.

Additional thoughts to consider:

Cash for closing is often a problem for home buyers. Buyers can negotiate with the sellers, for the seller to pay for some or all buyer closing costs and prepaid expenses. This reduces buyer cash needed for closing. The buyer's total closing costs and prepaid expenses (not including the down payment) typically equals about 3% of the sales price. Buyers must always fund their own down payment without seller assistance.

Another strategy that works with some loan programs is pursuing a lender credit towards closing costs. If a home buyer chooses an interest rate higher than the market interest rate, then a lender credit can be provided at closing to assist with closing costs. For instance, if the current interest rate for a 30 year fixed interest rate loan is 4.00%, by closing at 4.5% a 3 discount point lender credit is offered. 3 discount points is equal to 3% of the loan amount. As a result, the buyer pays a nominal, slightly higher monthly payment for the life of the loan due to the higher interest rate.

Note:

As you can see, there are a number of home mortgage loan programs/options available for your consideration. Richard Mantyla of Residential Mortgage has supplied the above brief loan summaries. You are invited to call or email Richard today and explore your options further.

Richard's direct phone number is: 907-222-8833 and his email address is: mantylar@residentialmtg.com. If you would like to start a loan application, you are invited to go to: www.richardmantyla.com and fill out the "Full Loan Application" and get things started today!

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Provided By:

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"Serving Alaskans for over 35 years"



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Note: If this article generates additional questions or a need for additional information, the following button will allow you to ask your question(s), request additional information or make comments. It is not my intent to bug you with unwanted phone calls, emails, or text messages! It is my intent to allow you to benefit from my 35+ years real estate activity and to give you a buying experience beyond your expectations!

[Questions / Comments](#)