

1. What is the Home Opportunity Program (HOP)?

The Home Opportunity Program (HOP) assists with and promotes homeownership for low-income households in Alaska. This program is funded by HUD, the HOME Investment Partnerships Program through Alaska Housing Finance Corporation (AHFC), and is administered by Alaska Community Development Corporation. **Funding is currently available for low-income Homebuyers in the Mat-Su Borough and the Kenai Peninsula.**

2. Who is Alaska CDC?

Alaska Community Development Corporation (Alaska CDC) is a private non-profit corporation. Alaska CDC administers HOP assistance in the Mat-Su Borough and the Kenai Peninsula and helps qualify and approve applicants for assistance.

3. Who can participate in HOP?

Individuals and families who have an annual income that is below established income guidelines (see below) and do not own another home (the HOP assisted home must be the only home the buyer's own and it must be their primary residence).

4. What are the income guidelines and assistance limits?

HOP funds may only be provided to an eligible low-income household. Low-income is defined as less than 80% of the median income as determined and regionally adjusted by HUD. The loan assistance limit is \$30,000 for households below 60% median income and \$20,000 for 60-80% median income. Current income limits for the Mat-Su Borough and Kenai Peninsula are:

Household Size	Mat-Su Borough 80% / 60% Income	Kenai Peninsula 80% / 60% Income
1	\$39,400 / \$29,580	\$38,200 / \$28,620
2	\$45,050 / \$33,780	\$43,650 / \$32,760
3	\$50,650 / \$38,040	\$49,100 / \$36,840
4	\$56,300 / \$42,240	\$54,550 / \$40,920
5	\$60,800 / \$45,600	\$58,900 / \$44,220
6	\$65,300 / \$49,020	\$63,300 / \$47,460

5. What type of assistance is available?

HOP funds may be used for one or more of the following activities for each homebuyer assisted:

- i.) Down payment assistance (if required by primary lender).
- ii.) Buyer's closing costs, not to exceed \$3,000.
- iii.) If necessary to achieve affordability, a buy-down of the first mortgage (see loan limits). For the purpose of this assistance activity, the payment ratio on the first mortgage should generally not be less than 25% of the buyer's gross income used to qualify for the first mortgage.

6. What are the terms of the assistance?

The HOP homebuyer assistance provides loans to low-income homebuyers with the first \$10,000 conditionally forgivable over a five-year period. HOP funds provided to a homebuyer are subject to recapture (repayment) in the event that the assisted homebuyer does not continue (defaults) to own and occupy the property purchased with HOP assistance. Funds provided under the HOP program will be secured by a Note and Deed of Trust executed by the homebuyer. The portion of the loan that is not forgiven is a zero interest loan (if no default occurs) held by a note that is due upon eventual sale of the home. If the homebuyer is required to repay any portion of the HOP funds because of default, interest shall accrue at the rate of 2% per annum from date of default on the principal remaining until paid in full. Refinancing can be considered for limited purposes. (No cash out.)

7. Other eligibility conditions?

Homes purchased or constructed using HOP funds must meet required property standards and must be the assisted homebuyer's principal residence. Homes built before 1978 must undergo a visual assessment and possible stabilization of lead-based paint. Homes purchased or developed with HOP assistance must be of a non-luxury nature and purchase price cannot exceed \$200,160 on the Kenai Peninsula and \$255,050 in the Matanuska-Valley District. The homebuyer may not be in arrears on any child support obligation. The homebuyer must attend a homebuyer education class approved by AHFC. **Homebuyers are required to contribute \$1000 to the purchase transaction.**

8. Where is the primary mortgage financing obtained?

Homebuyers assisted with HOP funds are expected to obtain primary mortgage financing through AHFC or another secondary market lender, available through banks and lending institutions offering mortgage loans.

9. Primary loan pre-qualification:

The lending institution is solely responsible for approving or denying the mortgage loan. The primary lender should qualify a homebuyer under the financing program that provides the lowest interest rate possible given the homebuyer's eligibility, and should determine the primary loan amount for which the homebuyer qualifies, using standard underwriting principles and all available resources prior to HOP.

10. HOP Funding limitations:

HOP assistance may not be used to reduce the amount of the primary loan for which the homebuyer otherwise qualifies. HOP assistance for first mortgage buydown should be provided only if the primary financing and any other secondary financing available is not adequate to satisfy the financing requirements of the qualifying home to be purchased. A minimum of \$1,250 (in total HOP assistance) must be provided to a qualifying homebuyer or HOP assisted unit.

11. Funding available:

HOP assistance funding for the Mat-Su Borough and the Kenai Peninsula is very limited and will be available on a first come, first served basis with priority to Housing Choice Voucher recipients.

12. How does one apply for the HOP Program?

Applications are available for the current Mat-Su Borough and Kenai Peninsula funding. Waiting lists will be established for the current and future year's funding. **Contact Alaska Community Development Corporation for an application or additional information.**

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**Homebuyer assistance
available for home
purchase in the
Mat-Su Borough
and the
Kenai Peninsula**

**Alaska Community
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HOME OPPORTUNITY PROGRAM

Information Overview

Alaska Community



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**Outside of Mat-Su
(800) 478-8080**

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