



HOUSING FIRST

Affordable Housing for Individuals and Families

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HOME Opportunity Program (HOP)

AHFC Loan Program for low-income home buyers, offered by Housing First

Program Policies

Program: The HOME Opportunity Program (HOP) is a HUD funded program through AHFC administered by Housing First for Juneau area. It is designed to help income-eligible families and individuals purchase a home by providing interest-free loan funds for a portion of the down payment and closing costs. In some cases, additional funds may be provided to reduce the amount of the primary loan for the home. Total funding available for the HOP program administered by Housing First at this time is \$400,000. Applicants will be considered on a first come first served basis as long as funding is available

Eligible Homebuyers : HOP funding is available to first-time home buyers¹ who have been pre-approved for a home loan². Eligible applicants make at or less than the 80% Median Family Income for their household size annually (see below).

2009 Income Limits for Juneau City and Borough

1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$44,800	\$51,200	\$57,600	\$64,000	\$69,100	\$74,250	\$79,350	\$84,500

(effective 4.27.09)

In order to receive HOP funds:

- The applicant must contribute at least \$1,000 towards their earnest money agreement, closing costs, or to the down payment on their home.³
- The applicant must complete AHFC's HomeChoice homebuyer education class, as well as meet with the Housing First Administrator for one-on-one counseling on the HOP program.

HOP Loans to Homebuyers: Project hard costs include HOP down payment assistance, closing costs and Affordability Assistance.

- **Down payment:** The amount of HOP down payment assistance provided to an eligible family may not exceed 2% of the property's purchase price or appraised value or \$3,800, whichever is less.
- **Closing Costs:** The homebuyer may also receive up to \$3,000 for buyer closing costs (costs typically considered to be the responsibility of the buyer).
- **Affordability Assistance:** Additional assistance of \$10,000 is also available to applicants who need it in order to make their home affordable. Larger assistance amounts are possible on a case-by-case basis as approved by the Housing First HOP Advisory Committee.
- **Maximum assistance amount:** The maximum assistance per homebuyer project is \$30,000.
- **NOTE:** In cases where applicants have in excess of \$10,000 in loan assistance/grants from other programs, the total HOP assistance will be \$2000.

¹ "First-time homebuyer" is defined by AHFC as a homebuyer who has not owned principle residence for 3 years

² The applicant must not be delinquent (in arrearage) on any child support obligation

³ In exceptional circumstances this requirement can be waived by submitting an appeal to the AHFC HOME Program Manager



HOME Opportunity Program (HOP)
Program Policies (cont.)

page 2

Property Criteria: HOP funds may be used to purchase single family homes that cost no more than \$303,050⁴.

Properties must also meet the following criteria:

- Must be owner-occupied or occupied by the person who wants to buy the home. (No renters can be displaced under this program.)
- Minimum property standards established by AHFC.
- Title must be in fee simple or 99-year leasehold with an acceptable remaining term.
- Be a single-family, stick-built, modular, mobile, condominium, or cooperative unit.
- Be the borrower's principal residence.
- Must meet valuation and purchase price limitations.
- Must be free from major structural and mechanical deficiencies or life-safety hazards

Loan Terms—Repayment & Forgiveness: HOP assistance is provided to qualifying homebuyers in the form of a zero-interest rate, conditionally-forgivable loan. Up to \$10,000 is provided to the homebuyer as a forgivable loan over a five year period. For every year the homeowner continues to own the home and make it his or her primary residence, the loan will be forgiven by a maximum of \$2,000 or twenty percent (20%) of the loan, whichever is less. Assistance exceeding \$10,000 is repayable at time of sale or at such time that the homebuyer no longer owns the home or makes it his or her primary residence, according to recapture regulations. If the original HOME Opportunity Program loan is less than \$10,000, they are required to own and occupy the house for a minimum period of five (5) years.

Application Process

Prospective homebuyers are required to have a prequalification for a primary mortgage from an approved lending institution. Applications for the HOP loan program are available by contacting Housing First at housingfirst@gci.net, calling 463-1276, or mailing or stopping by our office at 119 Seward Street #4, Juneau AK 99801.

- **Application:** Applicants are asked to submit an application along their most recent tax return (or other proof of income) to Housing First. If they appear to be eligible, they will be referred to partner agency AHDC for an income verification appointment.
- **Income Verification:** Income is verified by our partner AHDC. The applicant is referred to and meets with AHDC. At this appointment the applicant provides proof of income and expenses (tax return, bank statements, etc.) along with a letter from their lender showing that they are pre-approved for a home loan. AHDC then independently verifies income eligibility for HOP (can take up to several weeks)
- **Homebuyer HOP Counseling & Education:** Eligible homebuyers must attend an AHFC HomeChoice homebuyers education class (free), and meet with the Housing First Administrator for one-on-one HOP counseling. Applicants are encouraged to attend HomeChoice as early as possible, even before application, as it is offered monthly.
- **Shopping for a Home:** Once the eligible homebuyer has completed the above steps, they will receive a letter stating they are approved to receive Housing First HOP funds and they have 120 days to "shop" for a home. Funds are not guaranteed until the time of closing.
- **Purchasing a Home:** The closing can be expected to take at least 30 days. The HOP Administrator will need to inspect the property and ensure that it meets with AHFC requirements, and there will be HOP Loan paperwork to complete. Once the home has been purchased, AHFC administers the loan.

⁴ FHA Mortgage Limit for Juneau, AK January 16, 2007

