Deciding to buy or build a home is a big decision. We’d like to help you achieve your dream.

For more information contact:
Pat “Aqi” Neakok, Program Manager
907.852.0203
email: patsy.neakok@north-slope.org

Katherine Martin, Executive Assistant
907.852.0240
email: katherine.martin@north-slope.org

We look forward to helping you!
HOME RULE CHARTER

OF THE

NORTH SLOPE BOROUGH

PREAMBLE

We, the People of the North Slope Borough area, in order to form an efficient and economical government with just representation, and in order to provide local government responsive to the will of the people, and to the continuing needs of the communities, do hereby ratify and establish this Home Rule Charter of the North Slope Borough of Alaska.
Dear North Slope Borough Residents,

Responding to the Housing shortage in all the villages throughout the North Slope, I have established the Housing Solutions Group. As an introduction, this Group’s mission is to develop a housing program which will provide technical assistance to residents who are interested in becoming homeowners. Technical assistance will be provided in these critical areas:

- Financing
- Home Construction

Assistance will be individualized and structured. Our team will help to develop solutions to many of the roadblocks potential homeowners and residents have found in the past.

The Housing Solutions team members are Patsy Neakok and Katherine Martin. They can be reached by calling Administration and Finance at 852-0240.

I hope you find this information helpful.

Sincerely,

Charlotte E. Brower, Mayor

---

**Worksheet #2 (co-borrower)**

**Gross Monthly Income Worksheet**

Fill out the chart with gross income per month before taxes for each borrower.

<table>
<thead>
<tr>
<th>INCOME SOURCE</th>
<th>BORROWER #2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Salary/Wages</td>
<td></td>
</tr>
<tr>
<td>Overtime Wages</td>
<td></td>
</tr>
<tr>
<td>Performance Bonuses</td>
<td></td>
</tr>
<tr>
<td>Tips/Commission</td>
<td></td>
</tr>
<tr>
<td>Part-time Employment</td>
<td></td>
</tr>
<tr>
<td>Pension/Retirement</td>
<td></td>
</tr>
<tr>
<td>VA Benefits</td>
<td></td>
</tr>
<tr>
<td>Unemployment Compensation</td>
<td></td>
</tr>
<tr>
<td>Social Security</td>
<td></td>
</tr>
<tr>
<td>Public Assistance</td>
<td></td>
</tr>
<tr>
<td>Alimony/Child Support</td>
<td></td>
</tr>
<tr>
<td>Alaska Permanent Fund</td>
<td></td>
</tr>
<tr>
<td>Longevity Bonus</td>
<td></td>
</tr>
<tr>
<td>Dividends/Interest</td>
<td></td>
</tr>
<tr>
<td>Net Rental Income</td>
<td></td>
</tr>
<tr>
<td>Trust/Royalties</td>
<td></td>
</tr>
<tr>
<td>Business/Investment Income</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

Gross Monthly Income (Borrower #2): $_________________

Gross Monthly Income (Borrower #1): $_________________

Gross Monthly Income (combined): $_________________

x 12 = Annualized Gross Income TOTAL: $_________________

---

**Disclaimer**

The enclosed Homeownership Handbook, Construction Loan Handbook and other documents are designed to give you a general understanding of the steps to homeownership. Certain additional steps may be required and these documents are not meant to be all-encompassing guides. The process of acquiring a home is complicated. The North Slope Borough encourages you to seek information from a variety of sources, to avoid relying on any one source exclusively, and to seek professional support and advice when necessary.
Tips to becoming a homeowner

NSB Housing Solutions Group (HSG)
The primary function of the HSG is to help residents of the North Slope work with financial institutions for mortgage loans and construction.

HomeChoice

AHFC offers a free eight hour seminar to help future homebuyers work their way through the steps of buying a home. Find helpful materials and sign up for a class at http://www.ahfc.us/homechoice/.

Prequalification

Fill out an application for prequalification with a lender. This will give you an estimate of the amount of money you can borrow to build or buy your home. Before you meet with the lender, complete Worksheet #1 and #2. (see page 6)

A. Review of your credit report
After getting your credit score, the lender will decide whether you prequalify for a loan and the maximum amount of the loan by accessing the score. A minimum score of 650 is required by most lenders, and this indicates you were satisfactory in dealing with your past credit obligations.

B. Building/enhancing credit
- Correcting errors on your credit report
- Paying down your old debts
- Increasing your savings

Worksheet #1 (borrower)
Gross Monthly Income Worksheet

Fill out the chart with gross income per month before taxes for each borrower (if you have a spouse or another person applying for the loan with you, He or She can fill out the worksheet on the next page).

<table>
<thead>
<tr>
<th>INCOME SOURCE</th>
<th>BORROWER #1</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

Gross Monthly Income (Borrower #1):
$_______________________

Borrower #2/Co-borrower information on next page
Worksheet #1
Prequalification Checklist

Before the interview with the lender, complete these tasks:

- Make a list of cash you have for your loan (including names, addresses of banks, account numbers).
- Make a list of all debts (names, addresses of creditors, balances, account numbers).
- Make a list of all employers, positions and include your annual salaries from the past two years.

Bring these documents to the interview:

- Last two years’ tax returns and W2s (last three years’ for first-time homebuyer loan)
- Copies of last three months’ bank statements

If these special circumstances apply to you, also bring:

- Year-to-date Profit & Loss Statement and current balance sheet (if self-employed)
- Copies of stocks/bonds you plan to use for closing
- Copy of divorce or separation papers
- Copy of bankruptcy documents
- VA Certificate of Eligibility, DD214 or other evidence of veteran eligibility
- Evidence of resident alien status (green card)

Fill out the chart with gross income per month before taxes for each borrower (if you have a spouse or another person applying for the loan with you).

C. Mortgage amount
The amount of your loan depends on how much money you have and how much you owe. Make a list of your assets (anything you own that has value) and debts (anything you owe anyone else). Complete Worksheet #2 (see page 7).

Assets include:
- Lots with other homes
- Vacant deeded lots
- Boats
- Vehicles
- Savings
- Dividends
- 401K/Retirement

Debts include:
- Short-term
- Long-term
- Bank loans
- Credit card balance
- Child Support

D. Prequalification
After you prequalify for your loan, you’ll be provided a letter that details your eligibility/options for different type of loans.
Apply for a Loan

You may decide to apply for a loan. Choose one that fits your needs, such as a first-time homebuyer or rural program. Complete the mortgage application. Ask your lender if you might qualify for a specific program. You might want to ask about:

A. AHFC’s Closing Cost Assistance Program
   • Provides a competitive 30-year fixed interest rate with closing cost assistance equal to 3 percent of the loan amount to qualified homebuyers throughout the State of Alaska.
   • Example: On a $300,000 mortgage loan, the assistance equals $9,000. The amount must be used toward closing costs first, then for minimum cash investment and principal reduction.

B. AHFC’s Interest Rate Reduction for Low-Income Borrowers (IRRLIB)
   • A reduced interest rate of 0.5 percent or 1 percent may be available to you depending on your family’s income, size and the median income in your area.
   • The interest rate reduction applies to the first $180,000 of the loan amount. Loans exceeding $180,000 receive a blended interest rate rounded up to the next 0.125 percent.

Tip! Be honest—this IS the key to a successful application

Get Approved

Your Part

When you are ready to complete the mortgage loan application:
  • Provide documents from Worksheet #1 and #2 to lender
  • Complete the loan application and forms with the help of the lender

The Lenders Part

The lender will:
  • Provide you a Good Faith Estimate and Truth in Lending (TIL) disclosure statement that shows estimate charges you will have to pay to get the loan.
  • Provide you the Annual Percentage Rate (APR) so you know how much you’ll pay to borrow money.
  • Verify all information on your application including:
    • Past credits
    • Employment
    • Rental payments to landlords (past & present)
    • Property value (by ordering an appraisal)

The Underwriter’s Part

The underwriter then makes a decision to approve or deny your application based on the information you provided and their educated guess that you will successfully repay the loan.

Your Home

Congratulations! You are now ready to construct, order or go shopping for your new home after your loan is approved.