

Types of Loans

Adjustable Rate Mortgage

Adjustable rate mortgages have an interest rate that is adjusted at certain intervals based on a specific index during the life of the loan.

Alaska Housing Finance Corporation

AHFC is committed to providing Alaskans access to safe, quality, affordable housing. One of the ways we carry out this mission is by investing in mortgage loans throughout the State. By working in partnership with local banks and mortgage companies, AHFC offers potential borrowers a variety of loan programs and add-on options.

Balloon Payment Loan

A fixed rate loan that is amortized over 30 years but becomes due and payable at the end of a certain term. May be extended or may roll-over into another type of loan.

Buy-Down Loan

Buy-Down Loans are fixed rate loans where the interest rate and the payment are reduced for a specific period of time by passing the interest up front to subsidize the lower payment.

Community Home Buyers Program

A fixed rate loan for the first time home buyer with a low down payment usually 3-5 %, no cash reserve requirements and easier qualifying ratios. Qualification is subject to borrower meeting income limits and attendance of a four hour training course on home ownership.

Conventional Loan

Conventional loans are sometimes more lenient with the appraisal and condition of the property. When you are buying a “fixer upper” you may need to use a conventional loan.

FHA Loan

FHA loans are insured by the Federal Housing Administration under H.U.D. They offer a low down payment and are easier to qualify than conventional loans.

Fixed Rate Loan

A fixed rate loan has one interest rate that remains constant throughout the life of the loan.

Graduated Payment Mortgage

A fixed rate loan that has payments starting lower than a standard fixed rate loan, which

then increases by a predetermined amount each year for a set number of years.

Mortgage Credit Certificate

A first time home buyer program is subject to purchase price and income limits to some areas. It is actually a special tax credit and assists the buyer in qualifying for many loan programs.

Non-Qualifying Loan (assumable)

Non qualifying loans are pre-existing loans which can be assumed by a buyer from the seller of a property without going through the qualifying process. The buyer pays the seller for their equity and then starts making payments.

VA Loan

VA loans are guaranteed by the Veterans Administration. A veteran must have served 180 days of active service. The maximum VA loan is currently \$203,000 with no down payment.