



ARPA HOME OWNERSHIP LOAN PROGRAM GUIDELINES

SECTION 1. TITLE & PURPOSE

This document outlines the ARPA Home Ownership Loan Program of the Native Village of Port Lions. The Home Ownership Program aims to provide financial assistance to Native Village of Port Lions Tribal Members who wish to live and become homeowners in Port Lions. Its purpose is to establish clear program guidelines and eligibility requirements.

SECTION 2. ELIGIBILITY

1. Must be an enrolled member of the Native Village of Port Lions.
2. Must have sufficient income to make house payments and to afford home ownership.
3. Must meet income guidelines.
 - a. 1-2 household members: maximum household income \$111,800
 - b. 3 or more household members: maximum household income \$128,570
4. Applicant must have an agreed upon property at the time of the application with an active seller, priced at \$200,000 or less. The property must be located in Port Lions. The terms of the agreement will be set out in a Purchase and Sale Agreement between the seller and buyer that must be included with the application, as described below.
5. Must certify that the property to be purchased with the loan will become your primary residence within one (1) year of closing.

SECTION 3. APPLICATION AND REQUIRED DOCUMENTATION

1. Applicants must turn in a completed Home Ownership Loan Application by March 31, 2025.
 - a. Incomplete applications will not be considered.
2. The following documents must be included with the application at the time of submission.
 - a. Photo ID for all household members aged 18 and over.
 - b. Most recent paystubs covering a 6-week period for all household members aged 18 and over.
 - i. Final paystubs from any employment that ended in the last 12 months.
 - c. Most recent tax return.
 - d. Complete credit report showing credit score.
 - e. Proof of all additional sources of income.
 - i. Native dividend proof is required but does not count toward your annual income.
 - f. Proof of liabilities.
 - i. Credit card debt
 - ii. Loan debt (including car loans, student loans, personal loans)
 - iii. Medical debt
 - iv. Leases

- v. Alimony and child support
- g. Verification of Port Lions residency.
 - i. Utility bill showing current physical address
- h. Purchase and Sale Agreement between seller and buyer (applicant).

SECTION 4. PURCHASE AND SALE AGREEMENT (BUYER-SELLER AGREEMENT)

1. A completed Purchase and Sale Agreement must be provided with the Home Ownership Loan Application.
2. A home and safety inspection by a qualified professional is required before closing.
 - a. The NVPL is not responsible for the cost of the inspection. It is up to the Seller and the Buyer to determine who will endure the cost.
 - b. A copy of the inspection report must be provided to the NVPL office, and all health and safety repairs completed before the final payment is made to the Seller.
3. Required documentation must be included.
 - a. Seller must provide proof of property ownership.
 - b. Photo or map of the property.
4. Buyer/Seller must agree upon the purchase price at the time of application.
5. Buyer/Seller must agree upon the date of title transfer.
 - a. The date chosen will determine the NVPL's payment date for the earnest money.
6. Buyer/Seller must agree upon the closing date.
 - a. The date chosen will determine the NVPL's date for the final payment.
 - b. Proof of title transfer must be provided to the NVPL before the final payment is made to the seller.
7. The Native Village of Port Lions will pay the seller directly the agreed upon purchase price, not to exceed \$200,000.

SECTION 5. APPLICANT SELECTION

1. Applications received will be reviewed by a committee who will determine approval based on the materials provided in the application.
 - a. The committee will consist of a team of employees from First National Bank of Alaska that have no connection to Port Lions.
2. The committee will base the determination on the applicant's income, purchase price, and primary residence status.
 - a. If there are more approved applicants than funding allows, the committee will determine funding based on the most qualified applicants.
3. Applicants will be notified no later than April 30, 2025, on the loan status and earnest payment date.

SECTION 6. OWNERSHIP

1. The property will be owned by the buyer.
2. The NVPL is not your landlord.
3. It is the homebuyer's responsibility and financial obligation to maintain the property.
4. The homeowner must provide proof of homeowner's insurance to the NVPL no later than 30 days after the closing date.
 - a. Dwelling coverage must be at least the amount of the loan.
 - b. Homeowner's Insurance must remain active for the entire duration of the loan.
5. The homeowner will be responsible for payment of taxes and home insurance premiums. Unlike a standard mortgage, the Tribe will not establish an escrow account to cover these or any other bills for the property.

6. Homeowners may remodel the interior of their home at their discretion without prior approval but must notify the NVPL of any structural changes.
7. NVPL approval is required for exterior structural changes.

SECTION 8. PAYMENTS

1. Your monthly payments will be based on 30% of your income.
 - a. A child deduction will be applied to your yearly income for every child under the age of 18.
 - b. Minimum monthly payment- \$500.00
 - c. Maximum monthly payment- \$1,000
2. Homeowners may pay more than their monthly payment requirement at their discretion and as they so choose.
3. Your total loan payment will be the purchase price plus 3% interest.
4. You will not be required to pay a down payment.
5. Balloon payments will be accepted at any time.
6. Monthly payments will be due on the 15th of each month.
7. Payments will be considered defaulted if not received within 30 days of the invoiced payment.
8. Payments will be accepted by cash, credit card, or debit card.

SECTION 9. DEFAULT OF LOAN

1. Any payment 30 days past due or a breach of the Home Ownership Loan Contract will result in the loan agreement being terminated.
2. The NVPL will notify the homeowner of any defaults in writing by the mailing address provided in your loan application.
 - a. If your mailing address changes, it is your responsibility to notify the NVPL office.
3. You will be given 2 options if your loan is in default.
 - a. Option 1: You can pay the total amount due on the loan within 15 days of receipt of the notice.
 - i. The total amount due will include the total purchase price and the interest charges, minus any payments made to date.
 - b. Option 2: You can transfer the home to the NVPL.
 - i. It is the responsibility and financial obligation of the homeowner to transfer the title of the home to the NVPL upon receipt of the default.