

# How does the Federal Housing Administration assist rural Alaska?

The Department of Housing and Urban Development would like to see the programs of the Federal Housing Administration utilized more fully in Alaska, programs that the agency began in 1937. National Bank of Alaska has been one of the largest bank participants in this program in the state since President Franklin Roosevelt created it. HUD will guarantee the loans, provide a discount on the interest rates and negotiate terms with the lending institution. HUD's guarantee to the lender is that in the event of a default, HUD will buy the home and become the holder of title.

During the 1985-86 economic decline, these loan guarantees resulted in the agency holding title to approximately 3,000 units. This situation has long since been resolved but serves to illustrate HUD's commitment to the state and the agency's willingness to help absorb the economic impact of a declining housing market.

The Federal Housing Administration's loan programs have the advantage of being self-supporting and not dependent on congressional appropriations. Those lending institutions with a well established commitment to rural Alaska have tended to be the greatest participants.

Unalaska recently received word of a commitment of funds under this program. The application was so well supported and prepared and the city's demonstrated need for housing so great, the agency was quick to respond to Unalaska's request. ■

*National  
Bank of Alaska*