

AHFC

favours rich: study

The Associated Press

Middle- and upper-income Alaskans have gotten the greatest benefit from about \$450 million spent by the state since June 1980 on mortgage subsidy programs, a recent report concludes.

Little of the money has gone to aid low- or moderate-income Alaskans, says the study. It was conducted by consultants CH2M Hill and the University of Alaska's Institute of Social and Economic Research.

However, the report's conclusions have been questioned by the Alaska Housing Finance Corp. (AHFC), the state-funded agency which provides the low-cost mortgages.

Mark Cameron, AHFC finance director, said up to 13 percent of his agency's loan volume is aimed at homeownership assistance programs

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Loan inequities

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designed specifically for purchasers in low-to-moderate income categories.

The report says Alaska has appropriated about \$1.2 billion for housing subsidies in the last three years, and so far has spent about \$450 million. But the money so far has benefited about 9,500 middle- and upper-income homebuyers annually.

"The study was to look in particular at low- and -income people, the elderly and handicapped. And you notice the majority of the state's housing funds simply don't go to those groups," said Cheryl K. Thomas, one of the primary researchers on the project.

Ms. Thomas said there are a number of federal programs aimed at helping those groups, but she said the study showed a number of Alaskans are paying more than 35 percent of their cash incomes on housing and utilities at a time when federal programs are being cut back.

In urban Alaska, most of those paying more than 35 percent of their incomes on housing and utilities were renting, she said. In rural areas, many more in that category were buying their homes or owned them.

Bob Lohr, executive director of the Rural Alaska Community Action Program Inc., said he thinks the study raised legitimate concerns, but he said he has not studied its conclusions fully.

The study found that in spite of the availability of state and federal funds for housing assistance, there were 13,000 households in Alaska in 1980 where members lived in overcrowded conditions. About 60 percent of those households were in rural Alaska.

And the report concludes that while the state has channeled \$450 million into direct subsidies, the programs do not meet housing needs of low- and moderate-income residents because 95 percent of the money has gone to middle- and upper-income purchasers.