

PURCHASING YOUR SITE

Purchase Options

At any time during the lease after the survey and appraisal of the parcel are completed, if you are in good standing, you may purchase the parcel at its appraised market value as of the date of entry. Date of entry is defined as the date that DNR approves the lease application.

The state must sell land at the appraised market value. State law prohibits sale for less than comparable land. However, a credit will be given for the survey (which includes platting) deposit payments paid. The following is a simplified example of the costs associated with the purchase and how the payable balance is calculated:

Example of Purchase Price Calculation

Appraised Value based on market value	\$8,000
Less survey deposit paid	<u>-\$4,500</u>
Remaining Balance for payoff or contract	\$3,500

Parcels may be purchased either by paying the full purchase price in a lump sum, or by entering into a land sale contract (purchase contract) with the State of Alaska or its authorized representative. NOTE: State land must be sold at market value. This program does not allow “proving up” (living on the parcel) in order to obtain title to the parcel. There are no land discounts other than the Veterans’ discount on the purchase price. This is a lease/purchase program only.

Minimum Purchase Price

The costs to survey state land in remote areas of the state may actually be higher than the appraised value of the land. However, the minimum purchase price for any Remote Recreational Cabin Site will not be less than \$1,000, regardless of the actual survey costs.

Lump Sum Payment

If the purchase price minus the 5% down payment is \$2,000 or less, the purchase price must be paid in full. A land sale contract will not be issued (11 AAC 67.875).

General Contract Terms

If the purchase price minus the down payment is greater than \$2,000, the remainder may be paid by sale contract. Once you have signed a state land sale contract, you have entered into a legal, binding contract. Your money cannot be refunded if the contract is in default, is relinquished, or is otherwise terminated.

The terms for purchasing state land by sale contract are:

1. Down payment of five percent (5%) of the purchase price;
2. Non-refundable document handling fee of \$100.00;
3. Contract for payment of the balance, with interest, over a period of up to 20 years based on the following payment schedule:

DNR will provide for a monthly installment payment schedule unless the department determines that a quarterly or annual installment payment schedule is more administratively efficient. Monthly principal and interest payments will be set on a level-payment basis according to the following financed principal amounts (11 AAC 67.875):

- (a) \$ 2,000.01 to \$9,999.99, not more than 5 years;
- (b) \$10,000.00 to \$14,999.99, not more than 10 years;
- (c) \$15,000.00 to \$19,999.99, not more than 15 years;
- (d) \$20,000.00 or more, not more than 20 years.

You may, at any time, pay more than the required payment, accelerate your payments or pay off the remainder of the land sale contract. DNR does not charge a prepayment penalty.

DNR will record the sale contract with the appropriate Recording District.