

City & Borough of Wrangell
ALDER TOP VILLAGE LAND SALE
Financing Terms



General Information

The City and Borough of Wrangell offers seller-financing for eligible Alder Top Subdivision lots. The following provides a clear overview of how the financing works, including the required down payment and general payment structure. Full legal terms will be included in the final Purchase and Sale Agreement.

Purchase Price & Required Payments

Each lot includes a published purchase price. In addition to the purchase price, buyers are responsible for:

- A 5% Buyer's Premium, and a \$43 recording fee

At signing, buyers must pay a 15% down payment based on the purchase price. This amount is due within three (3) days of executing the Purchase and Sale Agreement. A \$500 auction deposit is refunded once the down payment is received. If a buyer fails to execute the agreement, the deposit is not refundable.

Financing Structure

The remaining balance after the down payment will be financed by the Borough. The financing includes:

- A fixed interest rate of Prime + 3%
- Quarterly payments, due every three months
- A 20-year amortization schedule
- A 5-year balloon payment, meaning the remaining balance becomes due in full after five years

The agreement will list the exact payment amount and the date of the first payment.

Interest is calculated on a 365-day year, and payments must be made on time and in full each quarter without notice from the seller.

Early Payment

Buyers may choose to pay extra toward the loan or pay off the entire remaining balance at any time without any penalty.

However, even if a buyer makes an early payment, the regular quarterly payment is still required unless the Borough specifically agrees in writing to change the schedule.

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Early payments reduce the outstanding balance and the total interest paid over time, but they do not replace scheduled payments automatically.

Once the buyer has:

- paid the full purchase price,
- paid all accrued interest, and
- met all other conditions of the agreement,

the Borough will issue a quitclaim deed transferring ownership of the lot.

Late Fees & Returned Payments

A 10-day grace period is allowed for each quarterly payment.

After the grace period:

- A 1% per month late fee, compounded monthly, will be charged on the unpaid balance
- A returned-check fee will apply if a bank refuses payment

These conditions protect the Borough's financial administration and ensure equal treatment among all buyers.

Payment Instructions

Payments must reference "Alder Top Financing" and be submitted to:

City & Borough of Wrangell
PO Box 531
Wrangell, Alaska 99929

The Borough may designate a different payment location with 30 days' notice.

Closing & Recording

Closing occurs when the Purchase and Sale Agreement is signed. Required documents will be recorded with the Wrangell Recording District at that time.

Notices

The agreement will list the mailing addresses for both buyer and seller where all official notices must be delivered.