

Chapter 45.88. ENERGY LOAN AND GRANT PROGRAMS

Article 01. ALTERNATIVE ENERGY REVOLVING LOAN FUND

Sec. 45.88.010. Fund established.

(a) There is established in the Department of Commerce, Community, and Economic Development the alternative energy revolving loan fund to carry out the purposes of AS 45.88.010 - 45.88.090. Loans made under AS 45.88.010 - 45.88.090 are to be used to develop means of energy production utilizing energy sources other than fossil or nuclear fuel, including, but not limited to, windmills, water and solar energy devices.

(b) Money in the fund may be used by the legislature to make appropriations for costs of administering AS 45.88.010 - 45.88.090.

(c) On June 30 of each fiscal year the unexpended and unobligated cash balance of the fund that is attributable to loans owned by the fund lapses into the general fund.

(d) Notwithstanding any other provision in AS 45.88.010 - 45.88.090, a multifuel heating system that uses the combination of wood or fossil fuel for fuel does qualify under this loan fund.

Sec. 45.88.015. Special account established.

(a) There is established, as a special account within the revolving loan fund established under AS 45.88.010, the foreclosure expense account. This account is established as a reserve from fund equity.

(b) The commissioner of commerce, community, and economic development may expend money credited to the foreclosure expense account when necessary to protect the state's security interest in collateral on loans made under AS 45.88.020 or to defray expenses incurred during foreclosure proceedings after a default by an obligor.

Sec. 45.88.020. Powers and duties of the department in administering the fund.

(a) The department may

(1) make loans for the purchase, construction, and installation of alternative energy systems;

(2) adopt regulations necessary to carry out the provisions of AS 45.88.010 - 45.88.090, including regulations to establish reasonable fees for services provided and charges for collecting the fees;

(3) collect the fees and collection charges established under this subsection.

(b) The department shall develop eligibility standards for loans made under AS 45.88.010 - 45.88.090 and adopt guidelines for the determination of loan terms.

(c) The department may not make a loan under AS 45.88.010 - 45.88.090 to a person who has a past due child support obligation established by court order or by the child support services agency under AS 25.27.160 - 25.27.220 at the time of application.

Sec. 45.88.030. Loan terms.

(a) A loan for the development of an alternative energy system under AS 45.88.010 - 45.88.090 may not exceed \$30,000.

(b) The duration for repayment of the loan may not exceed 20 years.

(c) Loans made under AS 45.88.010 - 45.88.090 may be used to finance the cost of purchase, construction, and installation of an alternative energy system or "centralized multifuel heating systems" which is likely to result in energy conservation or energy cost savings.

(d) All principal and interest payments, and money chargeable to principal or interest that is collected through liquidation by foreclosure or other process on loans made under AS 45.88.010 - 45.88.090, shall be paid into the alternative energy revolving loan fund.

(e) The rate of interest for a loan for an alternative energy system is five percent for the first \$15,000 of the loan and 15 percent for the amount of the loan that exceeds \$15,000.

Sec. 45.88.040. Sale or transfer of mortgages and notes.

(a) The commissioner may sell or transfer at par value or at a premium or discount to any bank or other private purchaser for cash or other consideration the mortgages and notes held by the Department of Commerce, Community, and Economic Development as security for loans made under AS 45.88.010 - 45.88.090.

(b) [Repealed by Sec. 14 ch 122 SLA 1980].