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CSHB 312 (CRA) Sectional Analysis

Section 1. Amends AS 18.56 creating a new section “Article 6A. Home Heating Conversion Loan Program” with new sections 18.56.870, 18.56.873, and 18.56.875.

Sec. 18.56.870. Titled “Home heating conversion loan program”. Creates a new home heating conversion loan program under the Alaska Housing Finance Corporation (AHFC). Qualified applicants can apply for a low interest loan to convert a home that uses an oil, coal, or wood heating device to convert to a device that uses natural gas, propane, biomass, electric heat or district heat. To qualify for a loan, the homeowner will need an energy audit performed by an approved rater, to be paid for by the homeowner. Defines an eligible home as substantially complete, owner-occupied, single-family dwelling or duplex used as a permanent residence of the loan applicant. Not more than 25 percent of the home may be used for commercial purposes. An eligible home does not include a home that has been destroyed, abandoned, or converted to another form of heat 12 months after an energy audit has been performed, to a home which natural gas is not available, and to a home that has already received a loan under this program.

Sec. 18.56.873. Titled “Home heating conversion loan fund”. Establishes the home heating conversion loan fund administered by AHFC. Money will be appropriated to the fund by the Legislature. Loans made under the conversion program will have an interest rate of 1 percent, term of 10 years, not subject to income limitations, and may not exceed the cost of conversion to a natural gas heating device or \$7,500. Provides the loan fund may be used for making loans to eligible homeowners, cover costs of administering the loan, and cover costs of administering and enforcing loan terms.

Sec. 18.56.875. Titled “Energy audit exemption”. Exempts AHFC from requirements of AS 46.11.050(b) when making loans under AS 18.56.870 and 18.56.873.

