

SENATE BILL NO. 264

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY SENATOR KAUFMAN

Introduced: 2/23/26

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the housing assistance loan program; repealing the home ownership
2 assistance fund; repealing the operating loss reserve account; repealing the restricted
3 title loss reserve account; and providing for an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 18.56.440 is amended to read:

6 **Sec. 18.56.440. Limitations on use of housing assistance loan program.** The
7 housing assistance loan program may not be used to

8 (1) originate a direct loan or purchase or participate in the purchase of
9 a small community housing mortgage loan that exceeds the limitations on mortgage
10 loans purchased by the Federal National Mortgage Association as to principal amount
11 or loan-to-value ratio;

12 (2) originate a direct loan or purchase or participate in the purchase of
13 a loan made for building materials for small community housing

14 (A) that exceeds \$45,000 or exceeds

1 (i) 80 percent of the appraised value of the work
2 completed on the small community housing for which the loan is made
3 if the small community housing is pledged as collateral for the loan; or

4 (ii) 90 percent of the value of other property that is
5 pledged as security for the loan and that is satisfactory to the
6 corporation as collateral;

7 (B) unless the terms of the loan agreement require inspections
8 and certifications, as required by regulations of the corporation, at the expense
9 of the borrower; and

10 (C) unless the period of time allowed for repayment of the loan
11 is equal to or less than 15 years;

12 (3) originate direct loans or purchase or participate in the purchase of a
13 small community housing mortgage loan that is secured by real property the
14 marketable title to which is shown under AS 18.56.480(b)(2) [IF THE TOTAL
15 AMOUNT OF OUTSTANDING SMALL COMMUNITY HOUSING MORTGAGE
16 LOANS HELD BY THE CORPORATION EXCEEDS 10 TIMES THE AMOUNT
17 OF MONEY IN THE RESTRICTED TITLE LOSS RESERVE ACCOUNT
18 ESTABLISHED BY AS 18.56.490];

19 (4) originate a direct loan for small community housing or purchase or
20 participate in the purchase of a small community housing mortgage loan, other than a
21 loan for the repair, remodeling, rehabilitation, or expansion of an existing owner-
22 occupied residence, if the borrower has an outstanding housing loan made under a
23 state loan program, other than a loan for nonowner-occupied housing under
24 AS 18.56.580 or under former AS 44.47.520, that bears interest at a rate that was less
25 than the prevailing market interest rate for similar housing loans at the time the loan
26 was made;

27 (5) originate a direct mortgage loan or purchase or participate in the
28 purchase of a mortgage loan for rental housing unless the borrower agrees not to
29 discriminate against tenants or prospective tenants because of sex, marital status,
30 changes in marital status, pregnancy, parenthood, race, religion, color, national origin,
31 or status as a student; or

1 (6) originate, purchase, or participate in a loan to a person who has a
2 past due child support obligation established by court order or by the child support
3 services agency under AS 25.27.160 - 25.27.220 at the time of application.

4 * **Sec. 2.** AS 18.56.430, 18.56.450, and 18.56.490 are repealed.

5 * **Sec. 3.** This Act takes effect July 1, 2026.