

# ALASKA STATE LEGISLATURE

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## **REPRESENTATIVE WES KELLER DISTRICT 14**

### **SPONSOR STATEMENT**

#### **HJR 51**

“Supporting certain changes to proposed regulations to implement the Secure and Fair Enforcement for Mortgage Licensing Act of 2008.”

In 2008 Congress passed the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE). This legislation was intended to bring some standard to home lending and possibly shore up the banking industry. As is too often true, the application is unusable (or worse) in Alaska. A one-size-fits-all may be fine for the lower 48 with its standard urban sprawl but is harmful for the unique situations in Alaska. These rules make it more difficult to secure a loan for certain types of property and hinder the rights of property owners to profit from their labors.

Cabin type properties are often bought and sold in Alaska between seller and purchaser with the seller carrying the note. The SAFE act forbids this practice essentially eliminating this process and therefore eliminating these sales. Families who have inherited a property that does not meet certain standards cannot sell unless they actually reside in the home.

The confusion factor in the statute (and pending regulation) leaves too many questions. Of real concern is a mandate that requires states to adopt this language in state law or lose the right to license and regulate mortgage loan originators. This means what is commonly known as “conventional loans” may be at risk.

The law and the regulations do not make sense for Alaska and HJR 51 is our opportunity to notify Housing and Urban Development and Congress that there needs to be some changes.