



LAWS OF ALASKA

1970

Source

Chapter No.

FCCS HCS CSSB 562

239

AN ACT

Relating to the legal rate of interest; and providing for an effective date.

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

* Section 1. AS 45.45.010(b) is amended to read:

(b) Until February 15, 1972 during any calendar quarter no interest may be charged by express agreement of the parties in a loan contract or commitment which is more than four percentage points above the federal reserve discount rate for the 12th Federal Reserve District that prevailed on the first day of the month preceding the commencement of that calendar quarter. Notice of the prevailing quarterly rate shall be provided by the Department of Commerce. Conventional mortgage loans covering one- to four-family dwellings entered into under provisions of this paragraph may be prepaid without penalty. Interest at a rate not to exceed eight per cent may be charged by express agreement of the parties in a loan contract or commitment dated after February 15, 1972.

* Sec. 2. AS 45.45.010(c) is amended to read:

(c) The maximum rate of interest specified in this section does not apply to transactions involving loans processed through Alaska financial institutions when there is participation by corresponding banks or institutional lenders in other states or countries because the amount of the total transaction, not merely the amount loaned by the Alaska financial institution, exceeds the loan limitations on state banks under AS 06.05.205(b) and on national banks under 12 U.S.C. 84 and the regulations and rulings under that section and to those loans made by mutual savings banks, state chartered savings and loan associations, and federally chartered savings and loan associations which

exceed 10 per cent of surplus, undivided profits and reserves for loan losses, and to those loans where the mortgagee is not a bank, mutual savings bank, or savings and loan association, and where the loan exceeds \$500,000.

* Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.