



LAWS OF ALASKA

1969

Source

Chapter No.

CSHB 278 am

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AN ACT

Relating to interest rates on certain veterans loans; and providing for an effective date.

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

* Section 1. AS 26.15.040(a) is amended to read:

(a) The commissioner of commerce may, under rules, regulations, and policies adopted by him, make the following loans:

(1) Personal loans may be made for educational, domestic, remote area family housing and other personal purposes, not exceeding \$5,000. The loans shall be secured by acceptable collateral when available but if not available the commissioner may make loans on the basis of good character. The rate of interest may not exceed eight per cent a year on the unpaid balance.

(2) Farm and home loans may be made to purchase, remodel, repair, build, furnish, refinance or equip homes or farms in the state, including the clearing and drainage for farms, not exceeding \$25,000. The loans may not exceed 90 per cent of the appraised value when the loan is for the purchase or construction of a home unless additional amounts are secured by acceptable collateral as determined by the commissioner of commerce in conformity with established minimum requirements. The rate of interest may not exceed eight per cent a year on the unpaid balance.

(3) Business loans may be made to acquire, finance or refinance or equip businesses, including mining and fishing but not including farming, not exceeding \$25,000. The loans shall be secured by acceptable collateral and may not exceed 75 per cent of the appraised value of the collateral offered as security. The rate of interest may not exceed eight per cent a year on the unpaid balance.

* Sec. 2. AS 26.15.040(b) is amended to read:

(b) The commissioner of commerce may enter into agreements with private banks, other lending institutions and individuals for the purpose of guaranteeing loans made to qualified applicants. The guarantees may not exceed 90 per cent of the amount loaned and the loans shall be secured in the same manner provided for direct loans under this section. A loan made under this subsection and guaranteed by the commissioner of commerce and the state shall bear an interest rate not exceeding eight per cent a year on the unpaid balance.

* Sec. 3. AS 14.25.180(b) is amended to read:

(b) When, in the opinion of the commissioner of administration, there is on hand in the retirement fund a surplus over and above a reasonably safe amount to take care of current demands upon the fund, the surplus or so much of it as in the judgment of the commissioner of administration is considered proper may be invested by the commissioner of revenue in (1) bonds or other interest-bearing obligations and securities of the United States or an agency of the United States, a state of the United States, or a political subdivision of any state of the United States, if the political subdivision has a population as shown by the last federal census preceding the investment of no less than 30,000 inhabitants, except no population limitation applies to a political subdivision of this state; (2) first lien real estate mortgage securities insured by the Federal Housing Administration under the National Housing Act of the United States, or held by the Department of Commerce, or the Department of Natural Resources; (3) corporation bonds, and preferred and common stocks as the commissioner of revenue considers proper investments for the funds; (4) shares of federally chartered savings and loan associations in Alaska, to the extent that the investment is insured by the federal government or by an agency of the federal government; (5) deposits with mutual savings banks in Alaska, to the extent that the investment is insured by the federal government or an agency of the federal government; (6) deposits with state and national banks in Alaska to the extent that the investment is insured by the federal government or an agency of the federal government; and (7) loans guaranteed by the division of veterans' affairs under AS 26.15.040(b). No more than 25 per cent of the surplus may be invested in mortgage securities of the Department of Commerce, and the state shall appropriate sufficient money from the general fund to reimburse the teachers' retirement system for any losses incurred as a result of failure of the obligors to pay on the notes. No more than \$400,000 of the surplus may be invested annually in the mortgage securities of the Department of Natural Resources, and the state shall appropriate sufficient money from the general fund to reimburse the teachers' retirement system for any losses incurred as a result of failure of the obligors to pay on the notes.

* Sec. 4. AS 39.35.110(a)(2) is amended to read:

(2) first lien real estate mortgage securities insured by the Federal Housing Administration under the National Housing Act of the United States or held by the

division of veterans' affairs under AS 26.15, or loans guaranteed by the division of veterans' affairs under AS 26.15.040(b);

* Sec. 5. The interest rate increase in sec. 1 and sec. 2 of this Act expires December 31, 1970.

* Sec. 6. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.