



LAWS OF ALASKA

1981

Source

SB 278

Chapter No.

71

AN ACT

Relating to savings associations.

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

THE ACT FOLLOWS ON PAGE 1, LINE 8

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: July 11, 1981
Actual Effective Date: October 9, 1981

AN ACT

Relating to savings associations.

* Section 1. AS 06.30 is amended by adding a new section to read:

Sec. 06.30.003. DECLARATION OF POLICY. In providing authority for the establishment and regulation of state-chartered associations, it is the intent of the legislature to make available the benefits of savings and loan associations, promote a sound and competitive association system, and encourage the practice of thrift, savings, investment, home financing, and the security of depositors in these associations. For the accomplishment of these purposes, the legislature intends by this chapter to vest in the department, in addition to other regulatory authority, the authority to allow by regulation those powers possessed by state-chartered associations in other states which the department determines have demonstrated will aid in the accomplishment of this declaration of policy.

* Sec. 2. AS 06.30.280(a) is amended by adding new paragraphs to read:

(20) convert from a mutual association to a stock association under a plan approved by the department in accordance with this chapter;

(21) convert from a stock association to a commercial bank under a plan approved by the department in accordance with AS 06.05.

* Sec. 3. AS 06.30.500(1) is amended to read:

(1) No investment in mortgages executed by any one mortgagor may exceed in the aggregate the net worth of the association or an amount equal to 10 percent of the savings liabilities of the associa-

Chapter 71

1 tion, whichever is less, except that a mortgage investment in the
2 aggregate amount of \$100,000 or less may be made notwithstanding the
3 provisions of this paragraph [TWO PERCENT OF THE ASSETS OF THE ASSOCIA-
4 TION AT THE TIME THE INVESTMENT IS MADE, OR \$90,000 ON A SINGLE-FAMILY
5 DWELLING OR \$90,000 PER UNIT ON A MULTIPLE-FAMILY DWELLING OR OTHER
6 IMPROVED REALTY, WHICHEVER IS GREATER, OR OTHER MAXIMA ESTABLISHED BY
7 THE COMMISSIONER BY REGULATION].

8 * Sec. 4. AS 06.30.500(2) is amended to read:

9 (2) No investment in any one mortgage may exceed 90 [TWO
10 PERCENT OF THE ASSETS OF THE ASSOCIATION AT THE TIME THE INVESTMENT IS
11 MADE, OR AS SPECIFIED IN (1) OF THIS SECTION, WHICHEVER IS GREATER, OR
12 MORE THAN 80] percent of the appraised value of a one-to-four family
13 residence securing a conventional loan; however, an association may
14 make 95 percent of appraised value loans if the term of the loan does
15 not exceed 40 [30] years, and the loan is secured by an amortized
16 mortgage, deed of trust, or other instrument under the terms of which
17 the installment payments are sufficient to amortize the entire princi-
18 pal of the loan within the period ending on the date of its maturity
19 and, in addition, the loan is either

20 (A) insured by a mortgage insurer authorized to do
21 business in Alaska with coverage in an amount acceptable to the
22 department [INSURANCE IN AN AMOUNT EQUAL TO 20 PERCENT OF THE LOAN
23 ISSUED BY A MORTGAGE INSURER AUTHORIZED TO DO BUSINESS IN ALASKA];
24 or

25 (B) secured in addition to the amortized mortgage by a
26 savings account held by the lending institution in an amount equal
27 to 15 [10] percent of the loan or other collateral acceptable to
28 the department.

29 * Sec. 5. AS 06.30.500(3) is amended to read:

(3) No [EXCEPT AS PROVIDED IN (1) OF THIS SECTION, NO] investment may be made in a conventional loan secured by a mortgage on a one-to-four family residence unless the mortgaged property is located inside the state [AND THE MORTGAGE HAS A MATURITY NOT EXCEEDING 30 YEARS FROM THE DATE THE LOAN IS MADE].

* Sec. 6. AS 06.30.500 is amended by adding a new paragraph to read:

(7) No investment may be made in a conventional loan secured by a mortgage on a multiple-family dwelling or improved real estate if the loan exceeds 90 percent of the appraised value of the property or has a maturity exceeding 40 years from the date the loan is made.

* Sec. 7. AS 06.30.505 is amended to read:

Sec. 06.30.505. OTHER LOANS. (a) An association may use for loans other than those specified in AS 06.30.500 an aggregate amount not exceeding 30 percent of the assets at the time of use, or a larger amount if a loan made after 30 percent of the assets of the association have been used is made with a written commitment by a secondary investor to purchase the loan within a reasonable time and with the approval of the commissioner as follows:

(1) home loans, whether direct-reduction or not, which exceed 90 percent of the appraised value of [\$90,000 EACH, REGARDLESS OF WHERE] the home property securing the loan [IS SITUATED];

(2) [deleted]

(3) home loans of any amount, which are not direct-reduction home loans, regardless of where the home property securing the loan is situated;

(4) other real estate loans, whether amortized or unamortized, regardless of amount or location of real estate securing the loan.

(b) [THE POWER REFERRED TO IN (a) OF THIS SECTION IS REFERRED TO

Chapter 71

1 AS THE "30 PERCENT OF ASSETS LENDING POWER."] A subsequent reduction
2 of savings liability does not affect outstanding loans made under this
3 section [THE 30 PERCENT OF ASSETS LENDING POWER].

4 (c) An association may, subject to regulations adopted by the
5 commissioner, invest not to exceed 20 [10] percent of its assets in
6 loans secured by mobile homes.

7 (d) The loans referred to in (a) of this section may not exceed
8 90 [80] percent of appraised value of the property securing the loans
9 except as provided in AS 06.30.500 and 06.30.510.

10 * Sec. 8. AS 06.30 is amended by adding a new section to read:

11 Sec. 06.30.507. LENDING STANDARDS. An association may not make a
12 loan unless it has determined that the type, amount, purpose, and
13 repayment provisions of the loan in relation to the resources and
14 credit standing of the borrower support the reasonable belief that the
15 loan is financially sound, will be repaid according to its terms, and
16 is lawful.

17 * Sec. 9. AS 06.30.520 is amended to read:

18 Sec. 06.30.520. PROPERTY IMPROVEMENT AND CONSUMER [SMALL] LOANS.
19 An association may make property improvement loans to property owners
20 for maintenance, repair, modernization, improvement, and equipment of
21 their properties. In addition, an association may make consumer loans.
22 A property improvement or consumer loan may be made with or without
23 security [, EXCEPT THAT A LOAN WITHOUT SECURITY MAY NOT EXCEED \$4,500].
24 An association may not make property improvement loans exceeding 25
25 percent of its assets [. AN ASSOCIATION MAY MAKE SMALL LOANS TO MEMBERS
26 WITH OR WITHOUT SECURITY NOT EXCEEDING \$2,500. HOWEVER, AN ASSOCIATION
27 MAY NOT MAKE] or consumer [SMALL] loans exceeding 40 [15] percent of
28 its assets. [THE TOTAL AMOUNT OF LOANS MADE UNDER THIS SECTION MAY NOT
29 EXCEED 25 PERCENT OF THE ASSETS OF THE ASSOCIATION.]

* Sec. 10. AS 06.30.540 is amended to read:

Sec. 06.30.540. SERVICING LOANS. An association may service loans [MORTGAGES AND TRUST DEEDS MADE BY THE ASSOCIATION AND LATER SOLD SUBJECT TO REGULATIONS AND RESTRICTIONS PRESCRIBED BY THE COMMISSIONER. THE MAXIMUM PRINCIPAL AMOUNT OF MORTGAGES AND TRUST DEEDS SERVICED BY AN ASSOCIATION AT ANY ONE TIME SHALL NOT EXCEED TWO-THIRDS OF THE AMOUNT OF THE SAVINGS LIABILITY OF THE ASSOCIATION].

* Sec. 11. AS 06.30.555(b)(2) is amended to read:

(2) the total of the balance of the loan secured by the first lien and the loan secured by the second lien does not exceed the maximum percentage of appraised value permitted under AS 06.30.500(2) [AS 06.30.505(d)];

* Sec. 12. AS 06.30.616 is repealed and reenacted to read:

Sec. 06.30.616. INVESTMENT IN SERVICE CORPORATIONS. An association may, subject to the approval of the commissioner, invest in capital stock, obligations, and securities of any service corporation organized under the laws of this state if: (1) the entire capital stock of the service corporation is available for purchase only by one or more savings and loan or banking institutions having their home offices in the state; and (2) substantially all of the activities of the service corporation are similar or incident to activities which may be engaged in by a service corporation in which a federal savings and loan association may invest or such other activities as the commissioner may approve. Investments in service corporations may not exceed five percent of the assets of an association.

* Sec. 13. AS 06.30.910(4) is amended to read:

(4) "direct-reduction loan" means a loan repayable in consecutive equal or unequal monthly installments beginning not later than 90 days after the date of the advance of the loan, which are sufficient

Chapter 71

1 to retire the debt, interest, and principal within 40 [30] years;
2 however, the initial loan contract may [SHALL] not provide for a monthly
3 installment of an amount larger than a previous monthly installment and
4 in the case of construction loans the first payment of the principal
5 shall not be later than 24 [18] months after the date of the first
6 advance and 36 months after the date of first advance if the construc-
7 tion loan is on improved real estate, and a direct reduction loan is an
8 amortized loan;

9 * Sec. 14. AS 06.30.910 is amended by adding new paragraphs to read;
10 (28) "consumer loan" means a secured or unsecured loan to an
11 individual for personal, family, or household uses;

12 (29) "multiple-family dwelling" means a dwelling for more
13 than four families, the principal use of which is for residential
14 purposes.

15 * Sec. 15. AS 06.30.240, 06.30.430, 06.30.500(4), and 06.30.535 are
16 repealed.