



LAWS OF ALASKA

1984

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Chapter No.

128

AN ACT

Relating to certain state housing loan programs; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9

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TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.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: June 21, 1984
Actual Effective Date: July 1, 1984

AN ACT

Relating to certain state housing loan programs; and providing for an effective date.

* Section 1. AS 18.55.996(a) is amended to read:

(a) The following associations are given the authority specified in (b) of this section:

(1) Arctic Slope Native Association (Barrow and Point Hope)
(2) Bering Straits Association (Seward Peninsula, Unalakleet, St. Lawrence Island)

(3) Northwest Inupiat Housing Authority [ALASKA NATIVE ASSOCIATION] (Kotzebue)

(4) Association of Village Council Presidents (southwest coast of Alaska including all villages in the Bethel area and all villages on the Lower Yukon River and Lower Kuskokwim River)

(5) Tanana Chiefs Conference (Koyukuk, the middle and upper Yukon River villages and the upper Kuskokwim and Tanana River villages)

(6) Cook Inlet Tribal Council [ASSOCIATION] (Kenai, Tyonek, Eklutna and Seldovia [ILIAMNA])

(7) Bristol Bay Native Association (Dillingham, Upper Alaska Peninsula)

(8) Aleut League (Aleutian Islands, Pribilof Islands and that part of the Alaska Peninsula which is in the Aleut League)

(9) North Pacific Rim Native Corp. (Cordova, Tatitlek, Port

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Graham, English Bay, Valdez, Seward, Eyak and Chenega)

(10) Tlingit-Haida Central Council or Alaska Native Brotherhood (Southeastern Alaska including Metlakatla)

(11) Kodiak Area Native Association (all villages on and around Kodiak Island)

(12) Copper River Native Association (Copper Center, Glennallen, Chitina and Mentasta)

(13) Alaska Federation of Natives, Inc.

(14) Sitka Community Association (Baranof and Japonski Islands [ISLAND]).

* Sec. 2. AS 18.56.088 is amended by adding a new subsection to read:

(i) The board may adopt regulations under (a) - (f) of this section that establish conditions and terms for mobile home loans that are not in accordance with the provisions of this chapter, including conditions and terms relating to owner-occupancy, the number of loans that may be made to a single borrower, and borrower eligibility requirements, if the board first determines that the regulations are necessary to ensure the continued security of the mobile home loan portfolio.

* Sec. 3. AS 18.56.091 is amended to read:

Sec. 18.56.091. HOME OWNERSHIP ASSISTANCE PROGRAM [FUND]. The corporation shall implement a home ownership assistance program [THERE IS ESTABLISHED IN THE CORPORATION THE HOME OWNERSHIP FUND, CONSISTING OF MONEY APPROPRIATED TO IT BY THE LEGISLATURE. MONEY IN THE FUND SHALL BE USED SOLELY] to assist persons of lower and moderate income to purchase homes financed under the special mortgage loan purchase program by providing a subsidy to the persons in an amount not greater than the difference between

(1) the amount annually required to pay interest on

principal on that person's loan and real property taxes and insurance for the home purchased with the loan; and

(2) 25 percent of that person's annual gross income.

* Sec. 4. AS 18.56.096 is amended to read:

Sec. 18.56.096. LIMITATION ON POWER TO MAKE OR PURCHASE MORTGAGE LOANS. (a) The corporation may not make, participate in the making of, purchase, or participate in the purchase of

(1) a first mortgage loan under this chapter for a duplex, triplex, or four-plex that exceeds the limitations on first mortgage loans for similar housing purchased by the Federal National Mortgage Association as to principal amount and loan-to-value ratio;

(2) a second mortgage loan for a duplex, triplex, or four-plex the amount of which, when combined with the principal balance of a first mortgage loan on the property, exceeds the limitation on the amount set out in (1) of this subsection [SECTION] or that has a loan-to-value ratio, when considered with the principal balance of the first mortgage loan, that exceeds 90 percent;

(3) a mortgage loan to finance the purchase of new housing or for the improvement or rehabilitation of existing housing, unless the construction, improvement, or rehabilitation work has been performed by a contractor who is registered to work as a contractor under AS 08.18; this paragraph does not apply if the construction, improvement, or rehabilitation work

(A) has been totally or substantially performed by the borrower;

(B) has been performed by a borrower who acts as the contractor for the construction, improvement, or rehabilitation work; or

(C) has been performed in an area designated by the

1 corporation as exempt from the requirements of this paragraph
2 because of the unavailability of registered contractors in that
3 area;

4 (4) a first mortgage loan for a single-family residence
5 that exceeds the limitations on first mortgage loans for similar
6 housing purchased by the Federal National Mortgage Association as to
7 principal amount by more than 10 percent, or has a loan-to-value ratio
8 that exceeds 95 percent, or a second mortgage loan for a single-family
9 residence, the amount of which, when combined with the principal
10 balance of a first mortgage loan on the property, exceeds the limita-
11 tions on loans for similar housing purchased by the Federal National
12 Mortgage Association as to principal amount by more than 10 percent,
13 or has a loan-to-value ratio, when considered with the principal
14 balance of the first mortgage loan, that exceeds 90 percent; [OR]

15 (5) a first or second mortgage loan for rental housing
16 unless the borrower agrees not to discriminate against tenants or
17 prospective tenants because of sex, marital status, changes in marital
18 status, pregnancy, parenthood, race, religion, color, national origin,
19 or status as a student; or

20 (6) a first mortgage loan if the borrower has an outstand-
21 ing first mortgage housing loan under this chapter or an outstanding
22 first mortgage loan for owner-occupied housing under AS 44.47.

23 (b) The loan-to-value limitation established in (a)(4) of this
24 section does not apply to a qualified loan that is federally insured
25 or guaranteed.

26 * Sec. 5. AS 18.56.098(g) is amended to read:

27 (g) The corporation shall establish the interest rate on a first
28 mortgage loan purchased under (a) of this section in accordance with
29 the following:

(1) The interest rate on the first \$90,000 of a mortgage loan purchased with the proceeds of an issue of taxable bonds of the corporation is three percent less than the cost of funds of that issue, except that

(A) if the cost of funds of that issue is less than 10 percent, the interest rate is equal to the cost of funds; and

(B) if the cost of funds of that issue is more than 10 percent, the interest rate may not be less than 10 percent.

(2) [Repealed

(3)] An interest rate determined under this subsection on the first \$90,000 of a mortgage loan that is not purchased from the proceeds of bonds that are qualified veterans' mortgage bonds under the Mortgage Subsidy Bond Tax Act of 1980 (26 U.S.C. 103A), as amended, shall be reduced by one percentage point if the loan is made to an eligible veteran under AS 18.56.101.

(3) [(4)] The interest rate for the amount of a mortgage loan purchased under (a) of this section that exceeds \$90,000 is equal to the cost of funds to the corporation attributable to that part of the loan.

(4) [(5)] The interest rate on the first \$90,000 of a mortgage loan purchased with money that is not the proceeds of either taxable or tax-exempt bonds is the rate the corporation determines is appropriate by application of the provision of (1) of this subsection.

(5) [(6)] The interest rate on the first \$90,000 of a mortgage loan purchased from the proceeds of bonds that are exempt from taxation [UNDER THE MORTGAGE SUBSIDY BOND TAX ACT OF 1980 (26 U.S.C. 103A), AS AMENDED,] other than bonds that constitute qualified veterans' bonds under (i) of this section, is equal to the interest rate determined under (1) and (2) of this subsection on a loan

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1 purchased under (a) of this section from the proceeds of the most
2 recent applicable issue of taxable bonds sold by the corporation [10
3 PERCENT OR THE COST OF THE FUNDS, WHICHEVER IS LESS]. A higher or
4 lower interest rate shall be established on the entire loan amount if
5 required to ensure the tax-exempt status of the bonds [UNDER THE MORT-
6 GAGE SUBSIDY BOND TAX ACT].

7 (6) [(7)] In this subsection

8 (A) "cost of funds" means the true interest cost
9 expressed as a rate on bonds of the corporation plus an addi-
10 tional percentage as determined by the corporation to represent
11 the allocable expenses of operation, costs of issuance, and
12 mortgage servicing;

13 (B) "taxable bonds" means bonds bearing interest that
14 is taxable under the provisions of the Mortgage Subsidy Bond Tax
15 Act of 1980 (26 U.S.C. 103A) issued to finance the purchase o:
16 first mortgage loans.

17 * Sec. 6. AS 18.56.170(a) is amended to read:

18 (a) Obligations issued under the provisions of this chapte
19 other than state guaranteed bonds do not constitute a debt, liabilit
20 or obligation of the state or of any political subdivision of th
21 state or a pledge of the faith and credit of the state or of any suc
22 political subdivision but are payable solely from the revenues o
23 assets of the corporation. Each obligation issued under this chapte
24 other than a state guaranteed bond shall contain on its face a state
25 ment that the corporation is not obligated to pay it nor the interes
26 on it except from the revenues or assets of the corporation [PLEDGE
27 FOR IT] and that neither the faith and credit nor the taxing power c
28 the state or of any political subdivision of the state is pledged t
29 the payment of the principal of or the interest on the obligation.

1 * Sec. 7. AS 44.47.560(5) is repealed and reenacted to read:

2 (5) "rural" means

3 (A) a community with a population of 4,500 or less in
4 the first or second judicial district of the state;

5 (B) a community with a population of 4,500 or less in
6 the third judicial district of the state that is more than 100
7 nautical miles from the conforming boundary of jurisdiction of
8 the Municipality of Anchorage; or

9 (C) a community with a population of 4,500 or less in
0 the fourth judicial district of the state that is more than 35
1 nautical miles from the conforming boundary of jurisdiction of
2 the City of Fairbanks;

3 * Sec. 8. AS 44.47.630 is amended to read:

4 Sec. 44.47.630. DECLARATION OF PURPOSE. There exists in the
5 state a serious shortage of low cost multiple family residential
6 rental housing, and owner-occupied housing, in the case of property
7 acquired or to be acquired by the Municipality of Anchorage that was
8 formerly the site of the S&S Apartments [AVAILABLE AT LOW RENTALS].
9 There also exist [EXISTS] in the state organizations whose purpose is
0 [PURPOSES ARE] to provide the housing needed to alleviate this
1 shortage. Development work to provide this housing involves substan-
2 tial expense that is often beyond the resources of the organizations.

3 * Sec. 9. The Alaska Housing Finance Corporation may issue bonds in the
4 principal amount of \$1,500,000,000 during the fiscal year ending June 30,
5 1985.

6 * Sec. 10. This Act takes effect July 1, 1984.