



LAWS OF ALASKA

1988

Source

SCS CSHB 112(Fin)

Chapter No.

80

AN ACT

Relating to the servicing of certain residential housing mortgage loans purchased by the Alaska Housing Finance Corporation.

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

THE ACT FOLLOWS ON PAGE 1, LINE 10

Approved by the Governor: June 1, 1988
Actual Effective Date: August 30, 1988

AN ACT

Relating to the servicing of certain residential housing mortgage loans purchased by the Alaska Housing Finance Corporation.

* Section 1. AS 18.56 is amended by adding a new section to read:

Sec. 18.56.135. LOAN SERVICING REQUIREMENTS. (a) If the servicing of a loan is sold to another person, the seller shall notify the mortgagor of the sale within 10 days after the actual date of the sale. The notification must include

(1) the name, address, and telephone number of the person who will assume responsibility for the servicing and accept payments for the loan;

(2) a detailed written financial breakdown of the loan, including the interest rate, monthly payment amount, and current escrow balance.

(b) The purchaser of loan servicing under (a) of this section shall

(1) issue to the mortgagor corrected coupon or payment books, if used;

(2) within 20 days after the due date of the first payment to be made to the purchaser,

(A) notify the mortgagor of the name, address, and telephone number of the person from whom the mortgagor can receive information regarding the servicing of the loan;

Chapter 80

1 (B) inform the mortgagor of changes made regarding the
2 loan escrow account or servicing requirements, including the
3 interest rate, monthly payment amount, and current escrow bal-
4 ance.

5 (c) A loan servicing agent shall respond within 15 business days
6 to a written request for information from the mortgagor. The written
7 response must include the telephone number of the agent's representa-
8 tive who can assist the mortgagor.

9 (d) If a mortgagor of a loan is required to maintain funds in an
10 escrow account to cover the payment of the tax or insurance obliga-
11 tions for the mortgaged property, the loan servicing agent shall make
12 each tax or insurance payment in a timely manner as the obligations
13 become due if the funds in the account are sufficient to cover the
14 payment. If the funds in the account are insufficient to make the
15 payment, the loan servicing agent shall promptly notify the mortgagor
16 of the shortage and may make the payment on behalf of the mortgagor.

17 (e) In this section

18 (1) "loan" means a mortgage loan purchased by the corpo-
19 ration under a residential housing loan program authorized by this
20 chapter;

21 (2) "loan servicing agent" means an institution other than
22 the Alaska Housing Finance Corporation that services a loan.
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