

HOUSE BILL NO. 7

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE BRICE

Introduced: 1/16/95

Referred: State Affairs, Labor and Commerce, Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act amending powers of the Alaska Housing Finance Corporation with
2 respect to mortgage loans for residential housing to require that new
3 residential housing incorporate sprinkler systems for fire suppression."

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

5 * **Section 1.** AS 18.56.090(a) is amended to read:

6 (a) In addition to other powers granted in this chapter, the corporation may,
7 for the purpose of providing housing for persons of lower and moderate income or
8 persons located in remote, underdeveloped, or blighted areas of the state and for its
9 other corporate purposes,

10 (1) make or participate in the making of mortgage loans to sponsors,
11 developers, builders, and purchasers of residential housing, if the corporation
12 determines that

13 (A) mortgage loans are not otherwise available, wholly or in
14 part, from private lenders upon reasonably equivalent terms and conditions;

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and

(B) the residential housing for which the mortgage loans are made complies with

(i) applicable provisions of AS 18.56.096(c) and the applicable thermal and lighting energy standards of AS 46.11.040;
and

(ii) applicable provisions of AS 18.56.096(d);

(2) purchase or participate in the purchase of mortgage loans made to sponsors, developers, builders, owners, and purchasers of residential housing, if the corporation

(A) has given approval before the initial making of the loan and has determined that mortgage loans were, at the time the approval was given, not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions, or

(B) has determined that

(i) the purchase or participation will result in additional residential housing, taking into account without limitation such factors as reinvestment of the proceeds of the sale in additional mortgage loans, increased availability of mortgage loans insured by the federal government, its agencies or departments, the reduction, if any, of interest payments to be made with respect to mortgage loans, or such other factors as will tend to increase or improve the supply of residential housing within the state; and

(ii) the residential housing covered by the mortgage loan complies with applicable provisions of AS 18.56.096(c) and the applicable thermal and lighting energy standards of AS 46.11.040,
and complies with applicable provisions of AS 18.56.096(d);

(3) make partial rental payments and mortgage interest payments under a contract with any housing owner if the payments will be applied to decrease rental or mortgage interest charges of persons of lower and moderate income or owners or purchasers of residential housing in remote, underdeveloped,

1 or blighted areas of the state;

2 (4) make loans from the housing development fund;

3 (5) collect and pay reasonable fees and charges in connection with
4 making, purchasing, and servicing its mortgages, loans, notes, bonds, certificates,
5 commitments, and other evidences of indebtedness;

6 (6) acquire real property, or any interest in real property, in its own
7 name, by purchase, transfer, or foreclosure, when the acquisition is necessary or
8 appropriate to protect any loan in which the corporation has an interest; sell,
9 transfer, and convey the property to a buyer; and, if the sale, transfer, or
10 conveyance cannot be effected with reasonable promptness or at a reasonable price,
11 rent or lease the property to a tenant pending the sale, transfer, or conveyance;

12 (7) sell, at public or private sale, to any purchaser, including the
13 Federal National Mortgage Association, all or any part of a mortgage or other
14 instrument or document securing a construction, land development, mortgage, or
15 temporary loan of any type permitted by this chapter;

16 (8) purchase, in order to meet the requirements of the sale of its
17 mortgages to the Federal National Mortgage Association, stock of the Federal
18 National Mortgage Association;

19 (9) procure insurance against any loss in connection with its
20 operation;

21 (10) consent to the modification of the rate of interest, time of
22 payment of any installment of principal or interest, or any other terms, of the
23 mortgage loan, mortgage loan commitment, construction loan, temporary loan,
24 contract, or agreement of any kind to which the corporation is a party;

25 (11) borrow money as provided in this chapter to carry out and
26 effectuate its corporate purposes; and issue its obligations as evidence of borrowing;

27 (12) include in any borrowing the amounts necessary to pay
28 financing charges, interest on the obligations for a period not exceeding one year
29 after the date on which the corporation estimates funds will otherwise be available
30 to pay the interest, consultant, advisory, and legal fees, and other expenses that are
31 necessary or incident to this borrowing;

1 (13) under AS 18.56.088, adopt and publish regulations respecting
2 its lending programs and other regulations that are necessary to effectuate its
3 purposes;

4 (14) provide technical and advisory services to sponsors, builders,
5 and developers of residential housing and to residents of it;

6 (15) promote research and development in scientific methods of
7 constructing low-cost and energy-efficient residential housing of high durability;

8 (16) make and execute agreements, contracts, and other instruments
9 necessary or convenient in the exercise of the powers and functions of the
10 corporation under this chapter, including contracts with any person, firm,
11 corporation, governmental agency, or other entity;

12 (17) receive, administer, and comply with the conditions and
13 requirements respecting any appropriation or gift, grant, or donation of property or
14 money;

15 (18) sue and be sued in its own name;

16 (19) adopt an official seal;

17 (20) adopt bylaws for the regulation of its affairs and the conduct of
18 its business and adopt regulations and policies in connection with the performance
19 of its functions and duties;

20 (21) employ fiscal consultants, engineers, attorneys, real estate
21 counselors, appraisers, and other consultants and employees that may be required in
22 the judgment of the corporation, and fix and pay their compensation from funds
23 available to the corporation;

24 (22) do all acts and things necessary, convenient, or desirable to
25 carry out the powers expressly granted or necessarily implied in this chapter;

26 (23) invest or reinvest, subject to its contracts with noteholders and
27 bondholders, any money or funds held by the corporation in any obligations or
28 other securities or investments in which banks or trust companies in the state may
29 legally invest funds held in reserves or sinking funds or any funds not required for
30 immediate disbursement, and in certificates of deposit or time deposits secured by
31 obligations of, or guaranteed by, the state or the United States;

1 (24) purchase a mortgage loan made to refinance an existing
2 mortgage loan, without regard to whether the corporation holds the existing
3 mortgage loan, as long as the interest rate and fees charged to the borrower are
4 sufficient to fully reimburse the corporation for all costs incurred by the corporation
5 in purchasing the mortgage loan and as long as the borrower will be in compliance
6 with AS 18.56.096(a)(6) after purchase of the mortgage loan by the corporation;

7 (25) participate in the making of mortgage loans to borrowers for
8 congregate housing under AS 18.56.100(b)(1) as the purchaser of those loans; loans
9 made for congregate housing under this paragraph must reflect application of
10 prudent underwriting standards and lending practices that include, but are not
11 limited to, appropriate loan-to-value ratios and the ability of a borrower to repay the
12 loan.

13 * **Sec. 2.** AS 18.56.096 is amended by adding a new subsection to read:

14 (d) The corporation may not make, participate in the making of, purchase,
15 or participate in the purchase of a loan for a residential building if construction of
16 the building begins after the effective date of this Act, unless the building
17 incorporates or contains, for purposes of fire suppression, an automatic sprinkler
18 system containing water or other wet chemical agents. The corporation

19 (1) may adopt regulations to implement this subsection; and

20 (2) shall, by regulation, establish procedures by which the person
21 responsible for the construction of the building may demonstrate that the building
22 complies with the requirements of this subsection, including

23 (A) self-certification;

24 (B) submission of the certificate of a registered architect,
25 registered engineer, or building inspector;

26 (C) submission of the certificate of occupancy issued by the
27 municipality in which the building is located;

28 (D) another method approved by the corporation.