

**CS FOR SENATE BILL NO. 181(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/24/02

Referred: Rules

Sponsor(s): SENATE FINANCE COMMITTEE

**A BILL**

**FOR AN ACT ENTITLED**

1    **"An Act relating to the use of money from the housing assistance loan fund, to loans for**  
 2    **teacher housing in small communities, and to the interest rate on loans originated or**  
 3    **purchased by the Alaska Housing Finance Corporation for small community housing;**  
 4    **and providing for an effective date."**

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

6    \* **Section 1.** AS 18.56.470(a) is amended to read:

7           (a) The interest rate on a mortgage loan originated or purchased in whole or in  
 8           part under AS 18.56.420 for small community housing is one percent less than the  
 9           interest rate, as determined under AS 18.56.098(f)(1) - (4), on a mortgage loan  
 10          purchased under AS 18.56.098(a) from the proceeds of the most recent applicable  
 11          issue of taxable bonds before the origination or purchase of the mortgage loan  
 12          originated or purchased under AS 18.56.420. **However, under this subsection, the**  
 13          **interest rate on that portion of a loan for a single-family house or owner occupied**  
 14          **duplex that exceeds the statewide average cost of a single-family house or owner**

1 occupied duplex, as determined by the Department of Labor and Workforce  
 2 Development, is the same as the interest rate determined under  
 3 AS 18.56.098(f)(1) - (4).

4 \* Sec. 2. AS 18.56.580 is amended to read:

5 **Sec. 18.56.580. Loans for teacher [NONOWNER OCCUPIED] housing.**

6 (a) In addition to the powers authorized by AS 18.56.400, the corporation shall  
 7 [MAY] adopt regulations under AS 18.56.088 allowing the use of money in the  
 8 housing assistance loan fund to make loans for the purchase or development of  
 9 teacher [NONOWNER OCCUPIED] housing in small communities. The  
 10 regulations must implement the requirements of (b) of this section and establish  
 11 other terms and conditions for teacher housing loans, including those relating to  
 12 borrower eligibility and the number of loans that may be made to a single  
 13 borrower. The corporation may require the borrower to pay costs associated  
 14 with a loan.

15 (b) A loan may be made under this section only for teacher housing in  
 16 which each unit that is not vacant is occupied by at least one individual who is  
 17 employed as a certificated teacher in a public elementary or secondary school in a  
 18 small community. Notwithstanding AS 18.56.470(a), if, before the loan is entirely  
 19 repaid, the occupancy requirement of this subsection is not complied with, the  
 20 interest rate on the entire original loan amount becomes the same as the interest  
 21 rate determined under AS 18.56.098(f)(1) - (4) on a mortgage loan purchased  
 22 under AS 18.56.098(a) from the proceeds of the most recent applicable issue of  
 23 taxable bonds before the loan under this section was made [THE RATE OF  
 24 INTEREST ON A LOAN AUTHORIZED BY THIS SECTION MAY NOT EXCEED  
 25 10-1/2 PERCENT A YEAR].

26 (c) The principal amount of loans made for teacher [NONOWNER  
 27 OCCUPIED] housing under this section may not exceed 20 percent of the total  
 28 principal amount of loans made for small community housing under AS 18.56.400 -  
 29 18.56.600.

30 (d) In this section,

31 (1) "development" means the construction of a new residence or the

1        **acquisition**, repair, remodeling, rehabilitation, or expansion of an existing residence;

2                    (2)    "**teacher** [NONOWNER OCCUPIED] housing" means [A  
3        SINGLE-FAMILY RESIDENCE OR] a multi-family residence [HAVING UP TO  
4        EIGHT DWELLING UNITS AND] that **may be nonowner occupied or** [IS NOT]  
5        occupied by the owner [; THE CORPORATION MAY MODIFY THIS DEFINITION  
6        IF IT DETERMINES THAT THERE IS A SPECIAL NEED FOR NONOWNER  
7        OCCUPIED HOUSING AND THAT A CHANGE IN THE DEFINITION IS  
8        NECESSARY TO ENABLE THE CORPORATION TO MEET THAT NEED].

9        \* **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).