

CS FOR SENATE BILL NO. 181(FIN) am
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 5/3/02

Offered: 4/24/02

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to and increasing the interest rate on that portion of a loan for a single-**
2 **family house or owner-occupied duplex that exceeds \$200,000 where the loan is for a**
3 **house or duplex in a small community with a population of 6,500 or less that is not**
4 **connected by road or rail to Anchorage or Fairbanks, or with a population of 1,600 or**
5 **less that is connected by road or rail to Anchorage or Fairbanks for purposes of the**
6 **small community housing program of the Alaska Housing Finance Corporation; relating**
7 **to loans for teacher housing in which each unit that is not vacant is occupied by at least**
8 **one individual who is employed as a certificated teacher in a public elementary or**
9 **secondary school in a small community with a population of 6,500 or less that is not**
10 **connected by road or rail to Anchorage or Fairbanks, or with a population of 1,600 or**
11 **less that is connected by road or rail to Anchorage or Fairbanks, and increasing the**
12 **interest rate on the loans if this occupancy requirement is not complied with; and**

1 providing for an effective date."

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

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

4 (a) The interest rate on a mortgage loan originated or purchased in whole or in
5 part under AS 18.56.420 for small community housing is one percent less than the
6 interest rate, as determined under AS 18.56.098(f)(1) - (4), on a mortgage loan
7 purchased under AS 18.56.098(a) from the proceeds of the most recent applicable
8 issue of taxable bonds before the origination or purchase of the mortgage loan
9 originated or purchased under AS 18.56.420. **However, under this subsection, the**
10 **interest rate on that portion of a loan for a single-family house or owner occupied**
11 **duplex that exceeds \$200,000 is the same as the interest rate determined under**
12 **AS 18.56.098(f)(1) - (4).**

13 * **Sec. 2.** AS 18.56.580 is amended to read:

14 **Sec. 18.56.580. Loans for teacher [NONOWNER OCCUPIED] housing.**
15 (a) In addition to the powers authorized by AS 18.56.400, the corporation **shall**
16 [MAY] adopt regulations under AS 18.56.088 allowing the use of money in the
17 housing assistance loan fund to make loans for the purchase or development of
18 **teacher** [NONOWNER OCCUPIED] housing in small communities. **The**
19 **regulations must implement the requirements of (b) of this section and establish**
20 **other terms and conditions for teacher housing loans, including those relating to**
21 **borrower eligibility and the number of loans that may be made to a single**
22 **borrower. The corporation may require the borrower to pay costs associated**
23 **with a loan.**

24 (b) **A loan may be made under this section only for teacher housing in**
25 **which each unit that is not vacant is occupied by at least one individual who is**
26 **employed as a certificated teacher in a public elementary or secondary school in a**
27 **small community. Notwithstanding AS 18.56.470(a), if, before the loan is entirely**
28 **repaid, the occupancy requirement of this subsection is not complied with, the**
29 **interest rate on the entire original loan amount becomes the same as the interest**
30 **rate determined under AS 18.56.098(f)(1) - (4) on a mortgage loan purchased**

1 **under AS 18.56.098(a) from the proceeds of the most recent applicable issue of**
 2 **taxable bonds before the loan under this section was made** [THE RATE OF
 3 INTEREST ON A LOAN AUTHORIZED BY THIS SECTION MAY NOT EXCEED
 4 10-1/2 PERCENT A YEAR].

5 (c) The principal amount of loans made for **teacher** [NONOWNER
 6 OCCUPIED] housing under this section may not exceed 20 percent of the total
 7 principal amount of loans made for small community housing under AS 18.56.400 -
 8 18.56.600.

9 (d) In this section,

10 (1) "development" means the construction of a new residence or the
 11 **acquisition**, repair, remodeling, rehabilitation, or expansion of an existing residence;

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

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