

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 274

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to veterans' loans; re-
7 pealing and re-enacting Subsec. (e), Sec.
8 44-2-12, ACLA 1949 as amended by Ch. 87,
9 SLA 1949 and Ch. 96, SLA 1953; and providing
10 for an effective date."

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

12 Section 1. Subsec. (e), Sec. 44-2-12, ACLA 1949 as amended
13 by Ch. 87, SLA 1949 and Ch. 96, SLA 1953 is repealed and re-
14 enacted to read as follows:

15 (e) VETERANS' LOANS. The Commissioner of Commerce
16 shall have the power, under such rules, regulations, and
17 policies as he may adopt, to make loans of the kind and
18 character hereinafter set forth:

19 (1) PERSONAL LOANS. Loans may be made for educa-
20 tional, domestic and other personal purposes, not to exceed
21 \$2,500.00. Such loans shall be secured by acceptable colla-
22 teral when available but if not available the commissioner
23 may make such loans on the basis of good character only.
24 Interest shall be at the rate of five per cent per annum on
25 the unpaid balance of such loans.

26 (2) FARM AND HOME LOANS. Loans may be made to
27 purchase, remodel, repair, build, furnish or equip homes or
28 farms in Alaska, including the clearing and drainage for such
29 farms, not to exceed \$15,000.00. Such loans shall not exceed

1 90 per cent of the appraised value when the loan is for the
2 purchase or construction of homes unless additional amounts
3 are secured by acceptable collateral as determined by the
4 Commissioner of Commerce in conformity with established
5 minimum requirements. Interest shall be at the rate of five
6 per cent per annum on the unpaid balance of such loans.

7 (3) BUSINESS LOANS. Loans may be made to acquire
8 or finance businesses including mining and fishing and/or
9 equipment for the same, but not including farming, not to
10 exceed \$15,000.00. Such loans shall be secured by acceptable
11 collateral and shall not exceed 75 per cent of the appraised
12 value of the collateral offered as security. Interest shall
13 be at the rate of 5 per cent per annum on the unpaid balance
14 of such loans. Persons qualifying for a second loan shall
15 pay interest at the rate of six per cent per annum and for
16 third and succeeding loans shall pay interest at the rate of
17 seven per cent per annum; provided, however, refinancing of
18 the initial loan shall not be deemed another loan.

19 (4) GUARANTEED LOANS. The Commissioner of Commerce
20 is hereby authorized to enter into agreement with private
21 banks, other lending institutions and individuals for the
22 purpose of guaranteeing loans made to qualified applicants.
23 Such guarantees shall not exceed 90 per cent of the amount
24 loaned and such loans shall be secured in the same manner
25 provided for direct loans under this Act. Loans made under
26 this subsection and guaranteed by the Commissioner of Com-
27 merce and the state shall bear an interest rate not to ex-
28 ceed 6 per cent per annum on all unpaid balances.

29 (5) LIMITATION ON DIRECT LOANS. No loans as set

1 out in (2) and (3) above shall be made unless the Commissioner
2 of Commerce is satisfied that no money is available to the
3 applicant from private lending institutions on a guaranteed
4 basis as set out in Subsec. (4) above.

5 (6) TOTAL LOAN. An applicant will be considered
6 eligible for more than one type of loan, but the total out-
7 standing against any one borrower may not exceed \$15,000.00
8 at any one time.

9 (7) WARRANT FOR MONEY LOANED. Money loaned shall
10 be delivered to the borrower in the form of a warrant drawn
11 on the treasury, vouchered in the manner prescribed for
12 state disbursing officers, and charged against the fund here-
13 inafter designated. Such vouchers shall be approved by the
14 Commissioner of Commerce or any bonded deputy authorized to
15 act as a certifying officer.

16 (8) DEPOSIT OF MONEY REPAID OR RECOVERED. Upon
17 repayment of loans by installments, or otherwise, in accord-
18 ance with the terms entered into between the parties, or
19 upon liquidation by foreclosure or other process, or upon
20 receipt of interest or other revenue, the monies so recovered
21 shall be turned over to the Commissioner of Revenue for
22 deposit in the Veterans' Fund hereinafter designated.

23 Sec. 2. The provisions of this Act applying to interest
24 rates apply only to loans made after the effective date of this
25 Act. The interest rates on loans made prior to the effective date
26 of this Act shall be as prescribed at the time the loan was made.

27 Sec. 3. This Act takes effect on the day after its passage
28 and approval or on the day it becomes law without such approval.
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