

Introduced: 5/26/64
Referred: Finance

1 IN THE HOUSE BY THE RULES COMMITTEE

2 HOUSE BILL NO. 464

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to disaster relief for per-
7 sons who have received state veteran's
8 loans; and providing for an effective date."

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

10 * Section 1. Any person who has received a veteran's farm,
11 home or business loan from the Department of Commerce and whose
12 property, if it secures the loan, was damaged by the earthquake
13 or the consequences of the earthquake of March 27, 1964, may apply
14 to the Department of Commerce for relief under sec. 2 of this Act.
15 Any person who has received a veteran's farm, home or business
16 loan from the Department of Commerce and whose property, if it
17 secures the loan, was destroyed or irreparably damaged by the
18 earthquake or the consequences of the earthquake of March 27,
19 1964, may apply to the Department of Commerce for relief under
20 sec. 3 of this Act.

21 * Sec. 2. If the Department of Commerce determines that the
22 property which secures the loan was damaged to the extent that
23 the cost of the reconstruction, repair or replacement of the
24 property will exceed 20 per cent of the market value of the pro-
25 perty before the earthquake, the department shall

26 (1) suspend those payments of principal of the loan,
27 and forgive those payments of interest on the loan, which will
28 become due between June 1, 1964, and June 1, 1965, if the depart-
29 ment holds the loan instrument; or

HB 464 am by Senate

-1-

1 (2) pay to the lender, in favor of the borrower, all
2 payments of principal and interest on the loan which will become
3 due between June 1, 1964, and June 1, 1965, if the department is
4 the guarantor of the loan; or

5 (3) pay to the holder of the loan instrument, in favor
6 of the borrower, all payments of principal and interest on the
7 loan which will become due between June 1, 1964, and June 1, 1965,
8 if the department assigned the loan before June 1, 1964.

9 * Sec. 3. The Department of Commerce shall release a borrower
10 from all personal liability on his indebtedness on a farm, home
11 or business loan held by the department if

12 (1) the borrower pays the department \$1,000; and

13 (2) the property securing the loan was destroyed or
14 irreparably damaged; and

15 (3) the borrower surrenders title to the property to
16 the department.

17 * Sec. 4. The amount of money equal to those principal payments
18 suspended or paid by the Department of Commerce under sec. 2 of
19 this Act is a personal obligation of the borrower to the depart-
20 ment. The department shall not require repayment of this obliga-
21 tion until the farm, home or business loan of the borrower is
22 repaid. The obligation may be repaid in twelve equal monthly
23 installments and no interest shall be charged on the obligation.

24 * Sec. 5. The department shall investigate the property
25 specified in an application to verify that the actual damage to
26 the property is sufficient to qualify an applicant for relief.

27 * Sec. 6. To be eligible for relief under this Act, an appli-
28 cant must apply to the Department of Commerce not later than
29 September 1, 1964.

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* Sec. 7. This Act takes effect June 1, 1964.