

1 IN THE HOUSE BY MR. JACKSON

2 HOUSE BILL NO. 117

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the maximum amount
7 allowed for veterans' loans."

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

9 * Section 1. AS 26.15.040 is amended to read:

10 Sec. 26.15.040. VETERANS' LOANS. (a) The commissioner
11 of commerce may, under rules, regulations, and policies
12 adopted by him, make the following loans.

13 (1) Personal loans may be made for educational,
14 domestic and other personal purposes, not exceeding \$5,000
15 [\$2,500]. The loans shall be secured by acceptable col-
16 lateral when available but if not available the commissioner
17 may make loans on the basis of good character. The rate of
18 interest is five per cent a year on the unpaid balance.

19 (2) Farm and home loans may be made to purchase,
20 remodel, repair, build, furnish or equip homes or farms in
21 the state, including the clearing and drainage for farms, not
22 exceeding \$30,000 [\$15,000]. The loans may not exceed 90
23 per cent of the appraised value when the loan is for the
24 purchase or construction of a home unless additional amounts
25 are secured by acceptable collateral as determined by the
26 commissioner of commerce in conformity with established
27 minimum requirements. The rate of interest is five per cent
28 a year on the unpaid balance.

29 (3) Business loans may be made to acquire or

1 finance or equip businesses including mining and fishing,
2 but not including farming, not exceeding \$30,000 [\$15,000].
3 The loans shall be secured by acceptable collateral and may
4 not exceed 75 per cent of the appraised value of the col-
5 lateral offered as security. The rate of interest is five
6 per cent a year on the unpaid balance.

7 (b) The commissioner of commerce may enter into agree-
8 ments with private banks, other lending institutions and
9 individuals for the purpose of guaranteeing loans made to
10 qualified applicants. The guarantees may not exceed 90 per
11 cent of the amount loaned and the loans shall be secured in
12 the same manner provided for direct loans under this section.
13 A loan made under this subsection and guaranteed by the com-
14 missioner of commerce and the state shall bear an interest
15 rate not exceeding six per cent a year on the unpaid balance

16 (c) No loans authorized by (a)(2) and (3) of this
17 section may be made unless the commissioner of commerce is
18 satisfied that no money is available to the applicant from
19 private lending institutions on a guaranteed basis as set
20 out in (b) of this section. An applicant is eligible for
21 more than one type of loan, but the total may not exceed
22 \$30,000 [\$15,000] at any one time.

23 (d) Money loaned shall be delivered to the borrower in
24 the form of a warrant drawn on the treasury, vouchered in
25 the manner prescribed for state disbursing officers, and
26 charged against the Alaska World War II veterans' revolving
27 fund. Each voucher shall be approved by the commissioner of
28 commerce or any bonded deputy authorized to act as a certify-
29 ing officer. Upon repayment of loans by installments, or

1 otherwise, in accordance with the prescribed terms, or upon
2 liquidation by foreclosure or other process, or upon receipt
3 of interest or other revenue, the money so received shall be
4 turned over to the commissioner of revenue for deposit in
5 the Alaska World War II veterans' revolving fund.
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