

Original sponsor: Rules Committee
by request of the Governor

Offered: 3/1/66
Referred: Rules

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 346

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to limitations on agri-
7 cultural loans."

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

9 * Section 1. AS 03.10.030 is amended to read:

10 Sec. 03.10.030. LIMITATIONS ON LOANS. (a) A farm
11 development loan may not exceed \$50,000 [~~\$40,000~~ NOR RAISE THE
12 TOTAL REAL ESTATE INDEBTEDNESS ABOVE \$40,000]. The mortgage
13 which secures a farm development loan may be of any priority
14 if the total indebtedness on the real estate, including the
15 secured farm development loan, does not exceed \$50,000. A
16 farm development loan which, if granted, would raise the
17 existing indebtedness on the real estate above \$50,000, or a
18 farm development loan or real estate which has a prior exist-
19 ing indebtedness of \$50,000 or more, may be made only if all
20 prior mortgagees agree to subordinate their mortgages to that
21 of the state for the amount of the farm development loan which
22 exceeds the \$50,000 indebtedness limit on the real estate.
23 A loan [IT] may not run longer than 30 [20] years nor bear
24 interest exceeding five [FOUR AND ONE-HALF] per cent, and it
25 shall be secured by a real estate or chattel mortgage, or
26 both.

27 (b) A chattel loan may not exceed \$25,000 for each farm
28 unit. It may not run longer than seven [FIVE] years or the
29 useful life of the chattel. It may not bear interest

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exceeding five per cent. It shall be secured by a real estate or chattel mortgage, or both.

(c) A short term [CROP] loan, to be amortized within one year, not to exceed \$10,000 [\$5,000] to any one borrower may be made for emergency purposes.