

Introduced: 3/8/67
Referred: Resources and
Finance

BY THE RULES COMMITTEE
BY REQUEST

1 IN THE HOUSE

2 HOUSE BILL NO. 274

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to limitations on agricultural loans;
7 and providing for an effective date."

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 development
11 loan may not exceed \$75,000 [\$50,000]. The mortgage which secures a
12 farm development loan may be of any priority if the total indebtedness
13 on the real estate, including the secured farm development loan, does
14 not exceed \$75,000 [\$50,000]. A farm development loan which, if granted,
15 would raise the existing indebtedness on the real estate above \$75,000
16 [\$50,000], or a farm development loan on real estate which has a prior
17 existing indebtedness of \$75,000 [\$50,000] or more, may be made only if
18 all prior mortgagees agree to subordinate their mortgages to that of
19 the state for the amount of the farm development loan which exceeds the
20 \$75,000 [\$50,000] indebtedness limit on the real estate. A loan may
21 not run longer than 30 years nor bear interest exceeding six [FIVE]
22 per cent, and it shall be secured by a real estate or chattel mortgage,
23 or both.

24 (b) A chattel loan may not exceed \$40,000 [\$25,000] for each farm
25 unit. It may not run longer than seven years or the useful life of the
26 chattel. It may not bear interest exceeding six [FIVE] per cent. It
27 shall be secured by a real estate or chattel mortgage, or both.

28 (c) A short term loan, to be amortized within one year, not to
29 exceed \$15,000 [\$10,000] to any one borrower may be made for emergency

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purposes.

• Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.