

Introduced: 2/15/67  
Referred: State  
Affairs and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 113

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 veterans' loans; and providing  
7 for an effective date."

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

9 \* Section 1. AS 26.15.040(a) is amended to read:

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

13 (1) Personal loans may be made for educational, domestic,  
14 remote area family housing and other personal purposes, not exceeding  
15 \$5,000. The loans shall be secured by acceptable collateral when  
16 available but if not available the commissioner may make loans on the  
17 basis of good character. The rate of interest may not exceed six [IS  
18 FIVE] per cent a year on the unpaid balance.

19 (2) Farm and home loans may be made to purchase, remodel,  
20 repair, build, furnish, refinance or equip homes or farms in the state,  
21 including the clearing and drainage for farms, not exceeding \$22,500.  
22 The loans may not exceed 90 per cent of the appraised value when the  
23 loan is for the purchase or construction of a home unless additional  
24 amounts are secured by acceptable collateral as determined by the  
25 commissioner of commerce in conformity with established minimum  
26 requirements. The rate of interest may not exceed six [IS FIVE] per  
27 cent a year on the unpaid balance.

28 (3) Business loans may be made to acquire, finance or  
29 refinance or equip businesses, including mining and fishing [,] but

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1 not including farming, not exceeding \$22,500. The loans shall be  
2 secured by acceptable collateral and may not exceed 75 per cent of the  
3 appraised value of the collateral offered as security. The rate of  
4 interest may not exceed six [IS FIVE] per cent a year on the unpaid  
5 balance.

6 \* Sec. 2. AS 26.15.040(b) is amended to read:

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

15 \* Sec. 3. AS 26.15.050 is amended to read:

16 Sec. 26.15.050. INTEREST RATES. The provisions of sec. 40 of  
17 this chapter applying to interest rates apply only to loans made after  
18 April 1, 1967 [APRIL 17, 1960]. The interest rates on loans made before  
19 April 1, 1967 [APRIL 17, 1960,] shall be as prescribed at the time the  
20 loan was made.

21 \* Sec. 4. This Act takes effect on the day after its passage and appro-  
22 val or on the day it becomes law without approval.