

Introduced: 3/3/69  
Referred: Commerce,  
Judiciary and Finance

1 IN THE HOUSE

BY FINK

2 HOUSE BILL NO. 235

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the legal rate of interest on cer-  
7 tain transactions."

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

9 \* Section 1. AS 45.45.010 is amended by adding a new subsection to read:

10 (c) Until June 1, 1970, the maximum interest rates prescribed by  
11 this section are not applicable to

12 (1) Federal Housing Administration and Veterans Administra-  
13 tion mortgages;

14 (2) loans contracted by foreign lending institutions which  
15 are processed through commercial banks, savings banks, or savings  
16 associations resident in the state; provided that the resident com-  
17 mercial banks, savings banks or savings associations processing  
18 exceptional interest rate loans shall have a loan portfolio on Alaska  
19 risk at rates of eight per cent or less in the amount of at least 55  
20 per cent of the deposits if a commercial bank, and at least 80 per cent  
21 of the deposits if a savings bank or savings association; and provided  
22 further that the resident commercial bank, savings bank or savings  
23 association may not charge in excess of one-half of one per cent ser-  
24 vice fee plus out-of-pocket expenses connected with the making of and  
25 servicing of these exceptional interest rate loans.

26 \* Sec. 2. AS 45.45.060 is amended to read:

27 Sec. 45.45.060. CONTRACT NOT DEEMED USURIOUS BECAUSE OF AGREEMENT  
28 TO PAY TAXES. A contract made in the state between borrower and lender  
29 debtor [,] and creditor, or mortgagor and mortgagee, on which the rate

1 of interest is that prescribed by sec. 10 of this chapter or less  
2 [EIGHT PER CENT OR UNDER], by which one party agrees to pay the taxes  
3 on the debt, credit, or mortgage existing or entered into between the  
4 parties, is legal and valid and is not usurious.  
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