

Original sponsor: Eliason, Anderson,
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Offered: 4/12/69
Referred: Rules

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1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 278

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 interest rates on certain veterans
7 loans."

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 (a) The commissioner of commerce may, under rules, regulations,
11 and policies adopted by him, make the following loans:

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

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

27 (3) Business loans may be made to acquire, finance or re-
28 finance or equip businesses, including mining and fishing but not
29 including farming, not exceeding \$25,000. The loans shall be secured

1 by acceptable collateral and may not exceed 75 per cent of the
2 appraised value of the collateral offered as security. The rate
3 of interest may not exceed eight [SIX] per cent a year on the unpaid
4 balance.

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

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

14 * Sec. 3. AS 14.25.180(b) is amended to read:

15 (b) When, in the opinion of the commissioner of administration
16 there is on hand in the retirement fund a surplus over and above a
17 reasonably safe amount to take care of current demands upon the fund,
18 the surplus or so much of it as in the judgment of the commissioner of
19 administration is considered proper may be invested by the commissioner
20 of revenue in (1) bonds or other interest-bearing obligations and
21 securities of the United States or an agency of the United States, a
22 state of the United States, or a political subdivision of any state of
23 the United States, if the political subdivision has a population as
24 shown by the last federal census preceding the investment of no less
25 than 30,000 inhabitants, except no population limitation applies to a
26 political subdivision of this state; (2) first lien real estate
27 mortgage securities insured by the Federal Housing Administration under
28 the National Housing Act of the United States, or held by the Department
29 of Commerce, or the Department of Natural Resources; (3) corporation

1 bonds, and preferred and common stocks as the commissioner of revenue
2 considers proper investments for the funds; (4) shares of federally
3 chartered savings and loan associations in Alaska, to the extent
4 that the investment is insured by the federal government or by an agency
5 of the federal government; (5) deposits with mutual savings banks in
6 Alaska, to the extent that the investment is insured by the federal
7 government or an agency of the federal government; [AND] (6) deposits
8 with state and national banks in Alaska to the extent that the invest-
9 ment is insured by the federal government or an agency of the federal
10 government; and (7) loans guaranteed by the division of veterans' affairs
11 under AS 26.15.040(b). No more than 25 per cent of the surplus may be
12 invested in mortgage securities of the Department of Commerce, and the
13 state shall appropriate sufficient money from the general fund to re-
14 imburse the teachers' retirement system for any losses incurred as a
15 result of failure of the obligors to pay on the notes. No more than
16 \$400,000 of the surplus may be invested annually in the mortgage
17 securities of the Department of Natural Resources, and the state shall
18 appropriate sufficient money from the general fund to reimburse the
19 teachers' retirement system for any losses incurred as a result of
20 failure of the obligors to pay on the notes.

21 * Sec. 4. AS 39.35.110(a)(2) is amended to read:

22 (2) first lien real estate mortgage securities insured by
23 the Federal Housing Administration under the National Housing Act
24 of the United States or held by the division of veterans' affairs under
25 AS 26.15, or loans guaranteed by the division of veterans' affairs
26 under AS 26.15.040(b);

27 * Sec. 5. The interest rate increase in sec. 1 of this Act expires
28 December 31, 1970.
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