

Introduced: 1/23/70
Referred: Commerce and
Finance

BY FINK, KERTTULA AND
ELIASON

1 IN THE HOUSE

2 HOUSE BILL NO. 512

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

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

10 (1) Personal loans may be made for educational, domestic,
11 remote area family housing and other personal purposes, not exceeding
12 \$5,000. The loans shall be secured by acceptable collateral when
13 available but if not available the commissioner may make loans on the
14 basis of good character. The rate of interest may not exceed five and
15 one-half [EIGHT] per cent a year on the unpaid balance. In addition
16 to the five and one-half per cent interest, an initial closing charge
17 not to exceed one-half of one per cent of the total loan amount may be
18 charged to a borrower under this paragraph.

19 * Sec. 2. AS 26.15.040(a)(2) is amended to read:

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

1 one-half of one per cent of the total loan amount may be charged to a
2 borrower under this paragraph.

3 * Sec. 3. AS 26.15.040(a)(3) is amended to read:

4 (3) Business loans may be made to acquire, finance or refi-
5 nance or equip businesses, including mining and fishing but not includ-
6 ing farming, not exceeding \$25,000. The loans shall be secured by
7 acceptable collateral and may not exceed 75 per cent of the appraised
8 value of the collateral offered as security. The rate of interest may
9 not exceed five and one-half [EIGHT] per cent a year on the unpaid
10 balance. In addition to the five and one-half per cent interest, an
11 initial closing charge not to exceed one-half of one per cent of the
12 total loan amount may be charged to a borrower under this paragraph.

13 * Sec. 4. AS 26.15.040(b) is amended to read:

14 (b) The commissioner of commerce may enter into agreements with
15 private banks, other lending institutions and individuals for the pur-
16 pose of guaranteeing loans made to qualified applicants. The guarantees
17 may not exceed 90 per cent of the amount loaned and the loans shall be
18 secured in the same manner provided for direct loans under this section.
19 A loan made under this subsection and guaranteed by the commissioner of
20 commerce and the state shall bear an interest rate not exceeding five
21 and one-half [EIGHT] per cent a year on the unpaid balance, and in
22 addition to the five and one-half per cent interest, an initial closing
23 charge not to exceed one-half of one per cent of the total loan amount
24 may be charged to a borrower.

25 * Sec. 5. This Act takes effect on the day after its passage and ap-
26 proval or on the day it becomes law without approval.