

Introduced: 2/13/70
Referred: Commerce
and Finance

1 IN THE HOUSE

BY SWEET

2 HOUSE BILL NO. 669

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 the interest rate on veteran
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 that
17 charged on loans guaranteed by the Federal Housing Administration or the
18 Veterans Administration under the Housing and Urban Development Act of
19 1969 (PL 91-152) [EIGHT PER CENT A YEAR ON THE UNPAID BALANCE].

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
26 commissioner of commerce in conformity with established minimum require-
27 ments. The rate of interest may not exceed that charged on loans
28 guaranteed by the Federal Housing Administration or the Veterans Ad-
29 ministration under the Housing and Urban Development Act of 1969

1 (PL 91-152) [EIGHT PER CENT A YEAR ON THE UNPAID BALANCE].

2 (3) Business loans may be made to acquire, finance or re-
3 finance or equip businesses, including mining and fishing but not
4 including farming, not exceeding \$25,000. The loans shall be secured
5 by acceptable collateral and may not exceed 75 per cent of the appraised
6 value of the collateral offered as security. The rate of interest may
7 not exceed that charged on loans guaranteed by the Federal Housing Ad-
8 ministration or the Veterans Administration under the Housing and Urban
9 Development Act of 1969 (PL 91-152) [EIGHT PER CENT A YEAR ON THE UNPAID
10 BALANCE].

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

12 (b) The commissioner of commerce may enter into agreements with
13 private banks, other lending institutions and individuals for the
14 purpose of guaranteeing loans made to qualified applicants. The
15 guarantees may not exceed 90 per cent of the amount loaned and the loans
16 shall be secured in the same manner provided for direct loans under this
17 section. A loan made under this subsection and guaranteed by the com-
18 missioner of commerce and the state shall bear an interest rate not
19 exceeding that charged on loans guaranteed by the Federal Housing Ad-
20 ministration or the Veterans Administration under the Housing and Urban
21 Development Act of 1969 (PL 91-152) [EIGHT PER CENT A YEAR ON THE UNPAID
22 BALANCE].
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