

Introduced: 2/16/70  
Referred: Commerce and  
Finance

BY CORNELIUS AND HOLM  
BY REQUEST

1 IN THE HOUSE

2 HOUSE BILL NO. 708

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 mutual banks."

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

8 \* Section 1. AS 06.15.220 is repealed and re-enacted to read:

9 Sec. 06.15.220. INTEREST ON DEPOSITS. (a) Except as otherwise  
10 provided in this chapter, a mutual bank may pay interest on deposits  
11 from net earnings and undivided profits at the rates and intervals  
12 which its trustees may from time to time approve.

13 (b) A mutual bank may make or issue certificates of deposit  
14 payable either on demand or at a fixed day in the form the bank  
15 determines on the following terms:

16 (1) the certificate may provide for the payment of a fixed  
17 rate of interest and shall mature in a period not exceeding 15 years  
18 from the date of issuance.

19 (2) the certificate may be payable at a fixed future time  
20 not less than 30 days after the date of issuance or may contain  
21 provisions requiring 30 or more days notice of demand for payment.

22 (3) the certificates may be issued at a discount instead  
23 of stipulating a rate of interest, or interest thereon may be deferred  
24 to be paid at maturity or other stipulated date.

25 (4) notwithstanding the provisions of (b)(1) of this  
26 section, a mutual bank may contract with and issue to a political  
27 subdivision or public or governmental unit, certificates of deposit  
28 at a specific rate of interest without limitation as to the maturity  
29 of the certificate.

1 \* Sec. 2. AS 06.15.250(2) is amended to read:

2 (2) No investment in any one mortgage may exceed two per  
3 cent of the assets of the mutual bank at the time the investment is  
4 made, or as specified in (1) of this section, whichever is greater,  
5 or more than 80 per cent of the appraised value of a one-to-four  
6 family residence securing a conventional loan; or more than 75 per  
7 cent of the appraised value of any other real property securing a  
8 conventional loan however, a mutual bank may make 90 per cent of  
9 appraised value loans on a one-to-four family residence if the term  
10 of the loan does not exceed 30 years, and the loan is secured by an  
11 amortized mortgage, deed of trust, or other instrument under the  
12 terms of which the installment payments are sufficient to amortize  
13 the entire principal of the loan within the period ending on the  
14 date of its maturity and, in addition, the loan is either (A) insured  
15 by mortgage insurance in an amount equal to 20 per cent of the loan  
16 issued by a mortgage insurer authorized to do business in Alaska; or  
17 (B) the loan is secured in addition to the amortized mortgage by a  
18 savings account held by the lending institution in an amount equal  
19 to 10 per cent of the loan or other collateral acceptable to the  
20 department.