

Original sponsor: Rules Committee  
by request

Offered: 5/20/70  
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

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HOUSE CS FOR CS FOR SENATE BILL NO. 562

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SIXTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act relating to the legal rate of interest; and  
7 providing for an effective date."

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

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\* Section 1. AS 45.45.010(b) is amended to read:

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(b) Until December 31, 1971 [1970] during any calendar quarter

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no interest may be charged by express agreement of the parties in a  
12 contract which is more than four percentage points above the federal  
13 reserve discount rate for the 12th Federal Reserve District that pre-  
14 vailed on the first day of the month preceding the commencement of that  
15 calendar quarter. Notice of the prevailing quarterly rate shall be  
16 provided by the Department of Commerce. Conventional mortgage loans  
17 covering one- to four-family dwellings entered into under provisions  
18 of this paragraph may be prepaid without penalty. After December 31,  
19 1971 [1970] interest at the rate of eight per cent may be charged by  
20 express agreement of the parties in a contract after that date.

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\* Sec. 2. AS 45.45.010(c) is amended to read:

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(c) The maximum rate of interest specified in this section does

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not apply to transactions involving loans processed through Alaska  
24 financial institutions when there is participation by corresponding  
25 banks or institutional lenders in other states or countries because the  
26 amount of the transaction exceeds the loan limitations on state banks  
27 under AS 06.05.205(b) and on national banks under 12 U.S.C. 84 and  
28 the regulations and rulings under that section and to those loans made  
29 by mutual savings banks, state chartered savings and loan associations,

1 and federally chartered savings and loan associations which exceed  
2 10 per cent of surplus, undivided profits and reserves for loan losses,  
3 and to those loans where the mortgagee is not a bank, mutual savings  
4 bank, or savings and loan association, and where the loan exceeds  
5 \$500,000. This provision remains in effect until December 31, 1971  
6 [1970].

7 \* Sec. 3. This Act takes effect on the day after its passage and approval  
8 or on the day it becomes law without approval.  
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