

Offered: 1/19/71
Referred: Commerce

1 IN THE SENATE

BY JOSEPHSON

2 SENATE BILL NO. 59

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to requirement of a compensating
7 deposit or balance as a condition for the making of
8 a loan."

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

10 * Section 1. AS 45.45 is amended by adding a new section to read:

11 Sec. 45.45.025. EFFECT OF REQUIRING COMPENSATING DEPOSIT OR
12 BALANCE. If a bank, lending agency or other financial institution
13 engaged in the lending of money, requires a borrower to establish or
14 maintain with the lender or any other financial institution a compen-
15 sating deposit or balance in any amount as a condition of making the
16 loan or extension or renewal of the loan, for the purpose of compliance
17 with secs. 10 - 70 of this chapter, interest is computed only on that
18 portion of the loan which is exclusive of the compensating deposit
19 or balance.