

Introduced: 2/4/72
Referred: Rules

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 238

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to interest rates charged by certain
7 lending institutions in the state; and providing for
8 an effective date."

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

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

11 (b) During [UNTIL FEBRUARY 15, 1972 DURING] any calendar quarter
12 no interest may be charged by express agreement of the parties in a
13 loan, contract or commitment which is more than eight per cent per
14 annum, or four percentage points above the per annum rate charged
15 member banks for advances by [FEDERAL RESERVE DISCOUNT RATE FOR] the
16 12th Federal Reserve District that prevailed on the first day of the
17 month preceding the commencement of that calendar quarter, whichever
18 is greater. Notice of the prevailing quarterly rate shall be provided
19 by the Department of Commerce. Conventional mortgage loans covering
20 one- to four-family dwellings entered into under provisions of this
21 paragraph may be prepaid without penalty. [INTEREST AT A RATE NOT TO
22 EXCEED EIGHT PER CENT MAY BE CHARGED BY EXPRESS AGREEMENT OF THE
23 PARTIES IN A LOAN CONTRACT OR COMMITMENT DATED AFTER FEBRUARY 15, 1972.

24 * Sec. 2. AS 45.45.010(c) is repealed and re-enacted to read:

25 (c) The maximum rate of interest specified in this section does
26 not apply to a loan processed by an Alaska financial institution when
27 such loan exceeds \$100,000.

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