

Original sponsor: Commerce Committee by
request of the Interim Committee on
Business and Monetary Policy

Offered: 2/15/74
Referred: Judiciary and
Finance

1 IN THE HOUSE BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 497

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

9 * Section 1. AS 45.45.010(b) is repealed and re-enacted to read:

10 (b) No interest may be charged by express agreement of the
11 parties in a contract or loan commitment dated after the effective
12 date of this Act which is more than four percentage points above the
13 annual rate charged member banks for advances by the 12th Federal
14 Reserve District that prevailed on the 25th day of the month preceding
15 the commencement of the calendar quarter during which the contract
16 or loan commitment is made. A contract or loan commitment in which
17 the principal amount exceeds \$100,000 is exempt from the limitation
18 of this subsection.

19 * Sec. 2. AS 45.45.010(d) is amended to read:

20 (d) Notice of the annual rate charged member banks for advances
21 by the 12th Federal Reserve District prevailing on the 25th [FIRST]
22 day of the month preceding the commencement of each calendar quarter
23 required for the maximum interest rate computation under (b) of this
24 section shall be provided by the Department of Commerce.

25 * Sec. 3. AS 45.45.010(g) is amended to read:

26 (g) Loan contracts and commitments covering one- to four-family
27 dwellings [ENTERED INTO UNDER (b) OF THIS SECTION] may be prepaid
28 without penalty, except federally insured loans that require a prepay-
29 ment penalty.

1 * Sec. 4. AS 45.45.010(e) is repealed.

2 * Sec. 5. This Act takes effect on the day after its passage and approval
3 or on the day it becomes law without approval.

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