

Introduced: 2/7/74
Referred: Commerce and
Judiciary

1 IN THE HOUSE

BY RANDOLPH AND FINK

2 HOUSE BILL NO. 590

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 reserve accounts."

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

8 * Section 1. AS 06.05 is amended by adding a new section to read:

9 Sec. 06.05.215. RESERVE ACCOUNTS. (a) If a borrower is required
10 by a financial institution or lender to make payments into a reserve
11 fund as an advance accumulation for payment of property taxes or insur-
12 ance premiums on real property, the borrower shall be credited with
13 interest in the reserve or deposit account at the rate then established
14 by the Federal Deposit Insurance Corporation as the maximum allowable
15 rate on passbook savings accounts; or, if no rate is so established, at
16 the rate paid by the financial institution on passbook savings accounts;
17 or, for those financial institutions or lenders which do not provide
18 passbook savings account services, at the rate established semiannually
19 by the commissioner as the prevailing passbook savings account rate.

20 (b) In this section, "financial institution" includes state and
21 national banks, savings and loan associations, credit unions and real
22 estate mortgage lenders.

23 (c) In this section, "reserve account" means a deposit, escrow
24 or impound account required to be maintained by a borrower in connection
25 with a loan or mortgage for the purpose of providing for payment of
26 insurance premiums and taxes on the security property.
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