

Introduced: 2/15/74
Referred: Commerce and
Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 HOUSE BILL NO. 649

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 veteran loans."

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

8 * Section 1. AS 26.15.040(a) is amended to read:

9 (a) The commissioner of commerce may, under rules, regulations,
10 and policies adopted by him, make the following loans:

11 (1) Personal loans may be made for educational, domestic,
12 remote area family housing and other personal purposes, not exceeding
13 \$5,000. The loans shall be secured by acceptable collateral when
14 available but if not available the commissioner may make loans on the
15 basis of good character. The rate of interest may not exceed eight
16 per cent a year on the unpaid balance.

17 (2) Farm and home loans not exceeding \$50,000 [\$40,000] may
18 be made to purchase, remodel, repair, build, furnish, refinance or
19 equip homes or farms in the state, including the clearing and drainage
20 for farms. The loans may not exceed 90 per cent of the appraised value
21 when made for the purchase or construction of a home unless additional
22 amounts are secured by acceptable collateral as determined by the com-
23 missioner of commerce in conformity with established minimum require-
24 ments. The rate of interest may not exceed the interest rate which is
25 charged for Federal Veterans Administration loans at the time a state
26 loan is granted.

27 (3) Business loans not exceeding \$100,000 [\$60,000] may be
28 made to acquire, finance or refinance or equip businesses, including
29 mining and fishing but not including farming [, IF THE BUSINESSES HAVE

1 THREE OR MORE YEARS OF OPERATING HISTORY IN ALASKA]. The loans shall
2 be secured by acceptable collateral and may not exceed 75 per cent of
3 the appraised value of the collateral offered as security. The rate
4 of interest may not exceed the interest rate which is charged for
5 Federal Veterans Administration loans at the time a state loan is granted.

6 (4) Multiple dwelling loans not exceeding \$75,000 [\$60,000]
7 may be made to purchase, remodel, repair, build, furnish, refinance or
8 equip multiple dwellings. The loans shall be secured by acceptable
9 collateral and may not exceed 75 per cent of the appraised value of the
10 collateral offered as security. The rate of interest may not exceed
11 the interest rate which is charged for Federal Veterans Administration
12 loans at the time a state loan is granted.

13 * Sec. 2. AS 26.15.040(c) is amended to read:

14 (c) No loans authorized by (a)(2), (3) and (4) of this section
15 may be made unless the commissioner of commerce is satisfied that money
16 at a comparable rate of interest is not available to the applicant
17 from private lending institutions on a guaranteed basis as set out in
18 (b) of this section. An applicant is eligible for more than one type
19 of loan, but the total may not exceed \$100,000 [\$60,000] at any one
20 time.
21
22
23
24
25
26
27
28
29