

Original sponsor: Judiciary Committee

Offered: 2/2/73
Referred: Rules

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 37

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to interest rates charged in the
7 state; 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 AS 45.45.010(b) is repealed and re-enacted to read: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) Until February 15, 1976, during any calendar quarter no
11 interest may be charged by express agreement of the parties in a loan,
12 contract or commitment which is more than eight per cent a year, except
13 that the eight per cent a year rate may be exceeded under the following
14 circumstances:

15 (1) in a loan, contract or commitment covering a one- to four-
16 family dwelling the interest rate may not exceed three and one-half
17 percentage points above the annual rate charged member banks for
18 advances by the 12th Federal Reserve District that prevailed on the
19 first day of the month preceding the commencement of that calendar
20 quarter;

21 (2) in a loan, contract or commitment secured by a real
22 estate mortgage or trust deed, not covered in (1) of this subsection,
23 the interest rate may not exceed four and one-half percentage points
24 above the annual rate charged member banks for advances by the 12th
25 Federal Reserve District that prevailed on the first day of the month
26 preceding the commencement of that calendar quarter.

27 * Sec. 2. AS 45.45.010 is amended by adding new subsections to read:

28 (d) Notice of the annual rate charged member banks for advances
29 by the 12th Federal Reserve District prevailing on the first day of

1 the month preceding the commencement of each calendar quarter required
2 for the maximum interest rate computation under (b) of this section
3 shall be provided by the Department of Commerce.

4 (e) Interest at a rate not to exceed eight per cent may be charged
5 by express agreement of the parties in a loan, contract or commitment
6 dated on or after February 15, 1976.

7 (f) No lender may require or accept any per cent of ownership and
8 or profits over and above its interest rate.

9 (g) No prepayment penalties are valid if rates permitted in
10 (b)(1) and (b)(2) are charged except on federally insured loans that
11 require prepayment penalties.

12 * Sec. 3. AS 45.45.010(c) is repealed.

13 * Sec. 4. This Act takes effect on the day after its passage and approval
14 or on the day it becomes law without approval.