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POLAND, SACKETT, SILIDES AND THOMAS

1 IN THE SENATE

2 HCS SENATE BILL NO. 386 am H  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA (FCC e.date)  
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  
21 value when made for the purchase or construction of a home unless  
22 additional amounts are secured by acceptable collateral as determined by  
23 the commissioner of commerce in conformity with established minimum  
24 requirements. The rate of interest may not exceed the interest rate  
25 which is charged for Federal Veterans Administration loans at the time  
26 a state loan is granted.

27 (3) Business loans not exceeding \$75,000 [\$60,000] may be made  
28 to acquire, finance or refinance or equip businesses, including mining  
29 and fishing but not including farming [, IF THE BUSINESSES HAVE THREE

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1 OR MORE YEARS OF OPERATING HISTORY IN ALASKA]. The loans shall be  
2 secured by acceptable collateral and may not exceed 75 per cent of the  
3 appraised value of the collateral offered as security. The rate of  
4 interest may not exceed the interest rate which is charged for Federal  
5 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 from  
17 private lending institutions on a guaranteed basis as set out in (b)  
18 of this section. An applicant is eligible for more than one type of  
19 loan, but the total may not exceed \$75,000 [\$60,000] at any one time.  
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