

Original sponsor: Hensley, T. Miller,
Harris, et al

Offered: 3/18/74
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 386

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; and providing for an
7 effective date."

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

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

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

12 (1) Personal loans may be made for educational, domestic,
13 remote area family housing and other personal purposes, not exceeding
14 \$10,000 [\$5,000]. The loans shall be secured by acceptable collateral
15 when available but if not available the commissioner may make loans on
16 the basis of good character. The rate of interest may not exceed eight
17 per cent a year on the unpaid balance.

18 (2) Farm and home loans not exceeding \$55,000 [\$40,000] may be
19 made to purchase, remodel, repair, build, furnish, refinance or equip
20 homes or farms in the state, including the clearing and drainage for
21 farms. The loans may not exceed 90 per cent of the appraised value when
22 made for the purchase or construction of a home unless additional amounts
23 are secured by acceptable collateral as determined by the commissioner of
24 commerce in conformity with established minimum requirements. The rate of
25 interest may not exceed the interest rate which is charged for Federal
26 Veterans Administration loans at the time a state 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 loan applicant has

1 had three or more years of general business experience [IF THE BUSI-
2 NESSES HAVE THREE OR MORE YEARS OF OPERATING HISTORY IN ALASKA]. The
3 loans shall be secured by acceptable collateral and may not exceed 75
4 per cent of the appraised value of the collateral offered as security.
5 The rate of interest may not exceed the interest rate which is charged
6 for Federal Veterans Administration loans at the time a state loan is
7 granted.

8 (4) Multiple dwelling loans not exceeding \$80,000 [\$60,000]
9 may be made to purchase, remodel, repair, build, furnish, refinance or
10 equip multiple dwellings. The loans shall be secured by acceptable
11 collateral and may not exceed 75 per cent of the appraised value of
12 the collateral offered as security. The rate of interest may not exceed
13 the interest rate which is charged for Federal Veterans Administration
14 loans at the time a state loan is granted.

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

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

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