

Introduced: 3/3/75
Referred: Commerce and
Finance

BY FINK, SULLIVAN, WALLIS AND
ELIASON

1 IN THE HOUSE

2 HOUSE BILL NO. 247

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the interest rate on veteran
7 loans."

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. The loans shall be secured by acceptable collateral when
15 available but if not available the commissioner may make loans on the
16 basis of good character. The rate of interest is seven [MAY NOT EXCEED
17 EIGHT] per cent a year on the unpaid balance.

18 (2) Farm and home loans not exceeding \$55,000 may be made
19 to purchase, remodel, repair, build, furnish, refinance or equip homes
20 or farms in the state, including the clearing and drainage for farms.
21 The loans may not exceed 90 per cent of the appraised value when made
22 for the purchase or construction of a home unless additional amounts
23 are secured by acceptable collateral as determined by the commissioner
24 of commerce in conformity with established minimum requirements. The
25 rate of interest is seven per cent a year on the unpaid balance [MAY
26 NOT EXCEED THE INTEREST RATE WHICH IS CHARGED FOR FEDERAL VETERANS
27 ADMINISTRATION LOANS AT THE TIME A STATE LOAN IS GRANTED].

28 (3) Business loans not exceeding \$100,000 may be made to
29 acquire, finance or refinance or equip businesses, including mining and

1 fishing but not including farming, if the loan applicant has had three
2 or more years of general business experience. The loans shall be
3 secured by acceptable collateral and may not exceed 75 per cent of the
4 appraised value of the collateral offered as security. The rate of
5 interest is seven per cent a year on the unpaid balance [MAY NOT EXCEED
6 THE INTEREST RATE WHICH IS CHARGED FOR FEDERAL VETERANS ADMINISTRATION
7 LOANS AT THE TIME A STATE LOAN IS GRANTED].

8 (4) Multiple dwelling loans not exceeding \$80,000 may be
9 made to purchase, remodel, repair, build, furnish, refinance or equip
10 multiple dwellings. The loans shall be secured by acceptable collateral
11 and may not exceed 75 per cent of the appraised value of the collateral
12 offered as security. The rate of interest is seven per cent a year
13 on the unpaid balance [MAY NOT EXCEED THE INTEREST RATE WHICH IS
14 CHARGED FOR FEDERAL VETERANS ADMINISTRATION LOANS AT THE TIME A STATE
15 LOAN IS GRANTED].

16 * Sec. 2. AS 26.15.040(b) is amended to read:

17 (b) The commissioner of commerce may enter into agreements with
18 private banks, other lending institutions and individuals for the
19 purpose of guaranteeing loans made to qualified applicants. The
20 guarantees may not exceed 90 per cent of the amount loaned and the
21 loans shall be secured in the same manner provided for direct loans
22 under this section. A loan made under this subsection and guaranteed
23 by the commissioner of commerce and the state shall bear an interest
24 rate not exceeding seven [EIGHT] per cent a year on the unpaid balance.
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