

1 IN THE SENATE

BY KERTTULA

2 SENATE BILL NO. 52

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act concerning limitations on agricultural loans."

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

8 * Section 1. AS 03.10.030(a) is amended to read:

9 (a) A farm development loan may not exceed \$200,000 [\$150,000].

10 The mortgage which secures a farm development loan may be of any
11 priority if the total indebtedness on the real estate, including the
12 secured farm development loan, does not exceed \$200,000 [\$150,000].
13 A farm development loan which, if granted, would raise the existing
14 indebtedness on the real estate above \$200,000 [\$150,000], or a farm
15 development loan on real estate which has a prior existing indebtedness
16 of \$200,000 [\$150,000] or more, may be made only if all prior mortgagees
17 agree to subordinate their mortgages to that of the state for the
18 amount of the farm development loan which exceeds the \$200,000 [\$150,000]
19 indebtedness limit on the real estate. A loan may not run longer than
20 30 years nor bear interest exceeding six per cent, and it shall be
21 secured by a real estate or chattel mortgage, or both.
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