

Original sponsor: Meekins

Offered: 6/13/78
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 684

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the administration of the Alaska
7 Housing Finance Corporation and the development of
8 residential housing programs; and providing for an
9 effective date."

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

11 * Section 1. AS 18.56.030 is repealed and re-enacted to read:

12 Sec. 18.56.030. CORPORATION GOVERNING BODY. (a) The corporation
13 shall be governed by a board of directors. The board of directors of
14 the corporation consists of the commissioner of the Department of Com-
15 merce and Economic Development and six members appointed by the governor.

16 (b) Members appointed by the governor serve for three-year terms.
17 The terms of two members appointed by the governor expire on April 30
18 annually.

19 (c) If a vacancy occurs among the public members appointed by the
20 governor, the governor shall make an appointment, to become effective
21 immediately, for the unexpired portion of the term.

22 (d) Members of the board of directors serve without compensation
23 except that each member may be reimbursed by the corporation for actual
24 and necessary expenses at the same rate as set out in AS 39.20.180.

25 * Sec. 2. AS 18.56.050 is amended to read:

26 Sec. 18.56.050. ADMINISTRATION OF AFFAIRS. The board shall [MAY]
27 manage the assets and business of the corporation and may prescribe,
28 amend and repeal bylaws [, RULES] and regulations governing the manner
29 in which the business of the corporation is conducted and the manner in

1 which its powers are exercised. [THE BOARD MAY DELEGATE TO ONE OR MORE
2 OF ITS DIRECTORS, OFFICERS, AGENTS OR EMPLOYEES THOSE POWERS AND DUTIES
3 IT CONSIDERS PROPER.] The board shall [MAY] delegate supervision of the
4 administration of the corporation to the [AN] executive director, ap-
5 pointed in accordance with sec. 52 of this chapter, and may delegate to
6 him other duties it considers proper [OFFICER].

7 * Sec. 3. AS 18.56 is amended by adding a new section to read:

8 Sec. 18.56.052. EXECUTIVE DIRECTOR. The corporation shall employ
9 an executive director, who may not be a member of the board. The execu-
10 tive director shall be appointed by the board of directors and serves at
11 the pleasure of the board.

12 * Sec. 4. AS 18.56.060 is repealed and re-enacted to read:

13 Sec. 18.56.060. EMPLOYMENT OF PERSONNEL. The board may appoint
14 other officers and engage professional and technical advisors as indepen-
15 dent contractors. The executive director may hire employees of the cor-
16 poration and, subject to the approval of the board, engage professional
17 and technical advisors under contract with the corporation. The board
18 shall prescribe the duties and compensation of corporation personnel.

19 * Sec. 5. AS 18.56 is amended by adding a new section to read:

20 Sec. 18.56.088. ADMINISTRATIVE PROCEDURE. (a) Except for AS
21 44.62.310 and 44.62.312, regarding public meetings, and AS 44.62.320(a)
22 regarding legislative review of regulations, the Administrative Proce-
23 dure Act (AS 44.62) does not apply to this chapter. The corporation
24 shall make available to members of the public copies of the regulations
25 adopted under (b) - (e) of this section. Within 45 days after adoption,
26 the chairman of the board shall submit a regulation adopted under (b) -
27 (e) of this section to the chairman of the Administrative Regulation
28 Review Committee under AS 24.20.400 - 24.20.460. The provisions of AS
29 44.62.320(a) apply to regulations adopted under (b) - (e) of this sec-

1 tion.

2 (b) The board may adopt regulations by motion or by resolution or
3 in any other manner permitted by its bylaws.

4 (c) The board may adopt regulations to carry out the purposes of
5 this chapter, and shall adopt regulations necessary for the following
6 purposes:

7 (1) determination of borrower eligibility including, but not
8 limited to, income limitations and the determination of remote, under-
9 developed or blighted areas of the state;

10 (2) loan guidelines and terms including but not limited to
11 maximum loan amounts and required loan-to-value ratios, but excluding
12 mortgage loan interest rates;

13 (3) characteristics of housing eligible for loans or purchase
14 of loans; and

15 (4) the qualifications of loan originators and servicers and
16 the method of allocating amounts available for the purchase of loans.

17 (d) Except as provided in (e) of this section, at least 15 days
18 before the adoption, amendment, or repeal of a regulation on a subject
19 specified in (1) - (4) of (c) of this section, the board shall give
20 public notice of the proposed action by publishing the notice in at
21 least three newspapers of general circulation in the state and by
22 mailing a copy of the notice to every person who has filed a request for
23 notice of proposed regulations with the board or the corporation. The
24 public notice must include a statement of the time, place, and nature of
25 the proceedings for the adoption, amendment, or repeal of the regulation
26 and must include an informative summary of the proposed subject of the
27 regulation. On the date and at the time and place designated in the
28 notice, the board shall give each interested person or his authorized
29 representative, or both, the opportunity to present statements, argu-

1 ments, or contentions in writing, and shall give members of the public
2 an opportunity to present oral statements, arguments, or contentions for
3 a total period of at least one hour. The board shall consider all
4 relevant matter presented to it before adopting, amending, or repealing
5 a regulation. At a hearing under this subsection, the board may con-
6 tinue or postpone the hearing to a time and place which it determines.
7 A regulation which is adopted, or its amendment or repeal, may vary in
8 content from the informative summary specified in this subsection if the
9 subject matter of the regulation, or its amendment or repeal, remains
10 the same and the original notice was written so as to assure that mem-
11 bers of the public are reasonably notified of the proposed subject of
12 the board's action in order for them to determine whether their inter-
13 ests could be affected by the board's action on that subject.

14 (e) A regulation or order of repeal on a subject specified in (c)
15 of this section may be adopted as an emergency regulation or order of
16 repeal if the board makes a finding in its order of adoption or repeal,
17 including a statement of the facts which constitute the emergency, that
18 the adoption of the regulation or order of repeal is necessary for the
19 immediate preservation of the orderly operation of the corporation's
20 loan and bonding programs. The requirements of (d) of this section do
21 not apply to the initial adoption of an emergency regulation covering a
22 subject specified in (1) - (4) of (c) of this section; however, upon
23 adoption of an emergency regulation, the board shall, within 10 days
24 after adoption, give notice of the adoption in accordance with (d) of
25 this section. No emergency regulation adopted under this subsection
26 remains in effect more than 120 days unless the board complies with (d)
27 of this section during the 120-day period.

28 (f) A regulation adopted under (b) - (e) of this section becomes
29 effective immediately upon its adoption by the board, unless otherwise

1 specifically provided by the order of adoption.

2 (g) The provisions of (b) - (e) of this section do not apply to
3 regulations governing interest rates on the corporation's mortgage loan
4 programs.

5 * Sec. 6. AS 18.56.090(14) is amended to read:

6 (14) under sec. 88 of this chapter, adopt [MAKE] and publish
7 [RULES AND] regulations respecting its lending programs and such other
8 [RULES AND] regulations as are necessary to effectuate its purposes;

9 * Sec. 7. AS 18.56.090 is amended by adding a new paragraph to read:

10 (25) establish a rural housing insurance account in the state
11 mortgage insurance fund established by this chapter and administer a
12 rural housing mortgage insurance program in rural areas of the state; in
13 the administration of the program established under this paragraph, the
14 board of directors shall

15 (A) from sums received from loans from the Department of
16 Revenue, purchase the mortgages or other collateral for rural
17 residential loans issued by a regional housing authority or any
18 other person;

19 (B) determine the maximum rate of interest which may be
20 charged by a regional housing authority for a rural residential
21 loan; and

22 (C) borrow from the Department of Revenue for purposes
23 of the rural housing mortgage program; the Department of Revenue
24 may lend surplus state general funds to the corporation for the
25 purpose of the rural housing mortgage loan program.

26 * Sec. 8. AS 18.56.210(11) is amended to read:

27 (11) "residential housing" means a specific work or improve-
28 ment undertaken primarily to provide dwelling accommodations without
29 limitation as to form of lawful occupancy, whether rental, under con-

1 tract, fee ownership, cooperative housing, condominium, mobile home, or
2 other lawful form [FORMS] of ownership, for persons of lower and
3 moderate income, or in remote, underdeveloped or blighted areas, in-
4 cluding the acquisition, construction or rehabilitation of land, build-
5 ings and improvements to them [THERETO], and such other nonhousing
6 facilities as may be incidental or appurtenant to the land or buildings
7 [THERETO];

8 * Sec. 9. AS 39.50.200(9) is amended by adding a new subparagraph to
9 read:

10 (NN) Alaska Housing Finance Corporation (AS 18.56)

11 * Sec. 10. Section 1 of this Act affects the terms of the public members
12 of the board of directors of the Alaska Housing Finance Corporation who are
13 serving on the effective date of this Act. Not later than 30 days after the
14 effective date of this Act, the governor shall determine the length of the
15 term of the members of the board of directors of the corporation serving on
16 the effective date of this Act and, by letter directed to the president of
17 the Alaska Legislative Council, designate the members whose terms shall end
18 on the date provided in sec. 1 of this Act during 1979, 1980, and 1981. The
19 terms of the members of the board of directors serving on the effective date
20 of this Act shall terminate on the date designated by the governor in his
21 letter, and, thereafter, members of the board shall be appointed in accor-
22 dance with the provisions of this Act.

23 * Sec. 11. AS 18.55 is amended by adding a new section to read:

24 Sec. 18.55.997. RESIDENTIAL LOANS. (a) In addition to the powers
25 authorized to a regional housing authority under sec. 996 of this chap-
26 ter, a regional housing authority may, in accordance with procedures and
27 policies adopted and approved by the board of directors of the Alaska
28 Housing Finance Corporation, make loans for the purchase or development
29 of residential housing in rural areas of the state. A loan shall be

1 secured by collateral in an amount acceptable to the board of directors
2 of the Alaska Housing Finance Corporation. The rate of interest on a
3 loan authorized by this section may not exceed an interest rate approved
4 by the board of directors of the Alaska Housing Finance Corporation.

5 (b) In this section,

6 (1) "development" means the construction of a new residence
7 or the repair, remodeling, rehabilitation or expansion of an existing
8 home;

9 (2) "rural" means any community of the state with a popula-
10 tion of 4,500 or less that is not connected by road or rail to Anchorage
11 or Fairbanks.

12 * Sec. 12. This Act takes effect immediately in accordance with AS 01.10.-

13 070(c).

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

#