

Introduced: 1/17/77
Referred: Health, Education &
Social Services, Labor &
Management & Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 43

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the investment authority of the
7 commissioner of revenue as custodian of the retire-
8 ment funds established by AS 14.25 and AS 39.35."

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

10 * Section 1. AS 14.25.180(b)(11) is amended to read:

11 (11) notes secured by mortgages of commercial and resi-
12 dential real estate or other security if the mortgages are insured by
13 a private mortgage insurance corporation which is authorized to do
14 business in Alaska and has combined capital, surplus and reserves
15 aggregating at least \$20,000,000; however, (A) no mortgage insurance
16 is necessary for commercial loans having loan-to-value ratios of less
17 than 50 per cent and the minimum coverage of other commercial loans
18 shall be 10 per cent for those having a loan-to-value ratio of 50-60 per
19 cent and 15 per cent for those having a loan-to-value ratio greater
20 than 60- but no more than 75 per cent, and (B) no mortgage insurance
21 is necessary for residential loans having a loan-to-value ratio of
22 less than 70 per cent and the minimum coverage of other residential
23 loans shall be 10 per cent for those having a loan-to-value ratio
24 greater than 70- but less than 90 per cent and 20 per cent for those
25 having a loan-to-value ratio of 90 per cent;

26 * Sec. 2. AS 14.25.180(b) is amended by adding new paragraphs to
27 read:

28 (16) bonds, debentures, notes, or other obligations issued,
29 guaranteed, or assumed as to both principal and interest by the govern-

1 ment of the Dominion of Canada, or by any province of Canada, or by
2 any municipality of Canada which has a population of not less than
3 150,000, if (A) the full faith and credit of the issuer, guarantor, or
4 assumer of the bonds, debentures, notes, or other obligations is
5 pledged for the payment of principal and interest on them, (B) the
6 principal and interest on them is payable in United States currency,
7 either unconditionally or at the option of the holder, and (C) these
8 obligations are rated A or an equivalent quality by a nationally
9 recognized rating organization;

10 (17) bankers' acceptances which are eligible for discount
11 at the Federal Reserve Bank and negotiable time certificates of deposit
12 issued by commercial banks.

13 * Sec. 3. AS 39.35.110(a)(11) is amended to read:

14 (11) notes secured by mortgages of commercial or residential
15 real estate or other security if the mortgages are insured by a private
16 mortgage insurance corporation which is authorized to do business in
17 Alaska and has combined capital, surplus and reserves aggregating at
18 least \$20,000,000; however, (A) no mortgage insurance is necessary for
19 commercial loans having loan-to-value ratios of less than 50 per cent
20 and the minimum coverage of other commercial loans shall be 10 per
21 cent for those having a loan-to-value ratio of 50-60 per cent and 15
22 per cent for those having a loan-to-value ratio greater than 60- but
23 no more than 75 per cent, and (B) no mortgage insurance is necessary
24 for residential loans having a loan-to-value ratio of less than 70 per
25 cent and the minimum coverage of other residential loans shall be 10
26 per cent for those having a loan-to-value ratio greater than 70 per
27 cent but less than 90 per cent and 20 per cent for those having a
28 loan-to-value ratio of 90 per cent;

29 * Sec. 4. AS 39.35.110(a) is amended by adding new paragraphs to read:

1 (16) bonds, debentures, notes, or other obligations issued,
2 guaranteed, or assumed as to both principal and interest by the
3 government of the Dominion of Canada, or by any province of Canada, or
4 by any municipality of Canada which has a population of not less than
5 150,000, if (A) the full faith and credit of the issuer, guarantor, or
6 assumer of the bonds, debentures, notes, or other obligations is
7 pledged for the payment of principal and interest on them, (B) the
8 principal and interest on them is payable in United States currency,
9 either unconditionally or at the option of the holder, and (C) these
10 obligations are rated A or an equivalent quality by a nationally
11 recognized rating organization;

12 (17) bankers' acceptances which are eligible for discount
13 at the Federal Reserve Bank and negotiable time certificates of
14 deposit issued by commercial banks.
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