

Original sponsor: Resources Committee

Offered: 5/1/81
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 507 (Resources) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the fishermen's mortgage and note
7 program under AS 16.10.650 - 16.10.720; and providing
8 for an effective date."

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

10 * Section 1. AS 16.10.660(a) is amended by adding a new paragraph to
11 read:

12 (7) develop procedures for precommitting to the purchase of
13 notes and mortgages securing loans under (b) of this section;

14 * Sec. 2. AS 16.10.680(a)(2) is amended to read:

15 (2) does not qualify for a loan for the purposes described
16 in AS 16.10.670 under a state [OR FEDERAL] loan program;

17 * Sec. 3. AS 16.10.680(a)(3) is amended to read:

18 (3) has not previously participated in the loan program
19 established in AS 16.10.650 - 16.10.720 or in any other state [OR
20 FEDERAL] loan program for the purposes described in AS 16.10.670; and

21 * Sec. 4. AS 16,10.680(a)(4) is amended to read:

22 (4) meets the guidelines established by the commissioner to
23 determine whether the applicant [DEMONSTRATES TO THE SATISFACTION OF THE
24 PRIVATE FINANCIAL INSTITUTION WHICH MADE THE LOAN THAT HE] is reasonably
25 likely to succeed as a commercial fisherman and [TO] be able to repay
26 the loan.

27 * Sec. 5. AS 16.10.680(b) is amended to read:

28 (b) In addition to the requirements of (a)(1) - (4) of this sec-
29 tion, the commissioner may purchase a mortgage or note under AS 16.10.-

1 660(b) only if it secures a loan to an individual who demonstrates
2 under guidelines established by the commissioner [DEMONSTRATED TO THE
3 SATISFACTION OF THE PRIVATE FINANCIAL INSTITUTION WHICH MADE THE LOAN]
4 that

5 (1) because of his lack of training or the lack of employ-
6 ment opportunities in the area in which he resides, he does not have
7 occupational opportunities available to him other than commercial
8 fishing; or

9 (2) he is economically dependent on commercial fishing for a
10 livelihood and commercial fishing has been [IS] a [CULTURAL AND]
11 traditional way of life for him in Alaska.

12 * Sec. 6. AS 16.10.690(a)(1) is amended to read:

13 (1) exceeds \$100,000 [\$200,000];

14 * Sec. 7. AS 16.10.690(b) is amended to read:

15 (b) The commissioner may not purchase a mortgage or note under
16 AS 16.10.660(b) if it secures a loan which results in an outstanding
17 debt of the borrower in excess of \$100,000 [\$200,000]. For purposes of
18 this subsection a loan to an associate of the borrower is considered to
19 be a loan to the borrower. For the purposes of this subsection, "asso-
20 ciate of the borrower" means

21 (1) a corporation or other organization of which the bor-
22 rower is an officer, director or partner, or is, directly or indirectly,
23 the beneficial owner of 10 percent or more of any class of equity
24 securities;

25 (2) a person who is, directly or indirectly, the beneficial
26 owner of 10 percent or more of any class of equity securities of the
27 borrower;

28 (3) a trust or other estate in which the borrower has a
29 substantial beneficial interest or as to which the borrower serves as

1 trustee or in a similar fiduciary capacity.

2 * Sec. 8. AS 16.10.710 is repealed and reenacted to read:

3 Sec. 16.10.710. PREQUALIFICATION FOR LOANS. The commissioner may
4 not purchase mortgages and notes under AS 16.10.660(b) unless the
5 private financial institution agrees to make preliminary determinations
6 of applicant eligibility for loans under AS 16.10.650 - 16.10.720. The
7 commissioner shall develop, in cooperation with private financial
8 institutions, guidelines and procedures for making preliminary deter-
9 minations of eligibility.

10 * Sec. 9. This Act takes effect immediately in accordance with AS 01.10.-
11 070(c).