

Introduced: 5/28/81
Referred: Resources and Finance

1 IN THE HOUSE

BY FREEMAN, ROGERS AND MOSS

2 HOUSE BILL NO. 596

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 homesite habitable dwelling loan
7 guarantees; and providing for an effective date."

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

9 * Section 1. AS 38.08 is amended by adding a new section to read:

10 ARTICLE 2. HOMESITE HABITABLE DWELLING LOAN GUARANTEE ACCOUNT.

11 Sec. 38.08.210. HOMESITE HABITABLE DWELLING LOAN GUARANTEE
12 ACCOUNT. (a) The homesite habitable dwelling loan guarantee account
13 is established as a separate account in the general fund. The account
14 consists of money appropriated or assets transferred by the legislature
15 to the account. The commissioner of revenue shall administer the
16 account, and may enter into agreements with financial institutions in
17 the state to use the assets of the account to guarantee loans made by
18 financial institutions to borrowers entering homesites under this
19 chapter.

20 (b) Before a guarantee is made under this section

21 (1) the financial institution making the loan shall deter-
22 mine, to the satisfaction of the commissioner of revenue, that the
23 borrower is able to repay the loan;

24 (2) the borrower shall provide a letter of intent signed by
25 an authorized representative of the Department of Natural Resources
26 which shows that title to the homesite will be transferred from the
27 state to the borrower if the borrower fulfills the requirements of
28 AS 38.08.060.

29 (c) A loan guaranteed under this section

1 (1) must be for the construction and purchase of a habitable,
2 permanent, single-family dwelling which meets the requirements of
3 AS 38.08.060(a)(2) and regulations adopted by the Department of Natural
4 Resources relating to AS 38.08.060(a)(2);

5 (2) may not exceed the greater of

6 (A) 90 percent of the appraised value of the dwelling
7 being financed with guaranteed loan proceeds; or

8 (B) an amount equal to the greater of the maximum
9 principal amount of mortgage loans for single-family dwellings
10 which may be purchased by the Alaska Housing Finance Corporation
11 or the division of housing assistance in the Department of Com-
12 munity and Regional Affairs;

13 (3) shall be in a form and contain terms and provisions
14 satisfactory to the commissioner of revenue;

15 (4) shall be secured by collateral, including the borrower's
16 homesite entry permit, evidenced by a mortgage or other security
17 instrument, sufficient, as determined by the commissioner of revenue,
18 to secure repayment of the loan;

19 (5) may not be for a term longer than 30 years, but the
20 construction phase of the loan may not be longer than two years.

21 (d) During the construction phase of a loan guaranteed under this
22 section, the guarantee extends only to the principal balance of the
23 loan. After the construction phase of the loan, the guarantee extends
24 both to the principal balance and accrued interest on the loan.

25 (e) The commissioner of revenue may not guarantee a loan under
26 this section if the balance of the homesite habitable dwelling loan
27 guarantee account is less than 10 percent of the total unpaid balance
28 of outstanding loans guaranteed under this section.

29 (f) A guarantee made under this section extends to a successor of

1 a financial institution which makes the loan, including another finan-
2 cial institution, the Alaska Housing Finance Corporation, or the divi-
3 sion of housing assistance, Department of Community and Regional
4 Affairs.

5 (g) A loan guarantee made under this section terminates when the
6 loan is repaid or when the borrower receives his patent to the homesite
7 property under AS 38.08.060, whichever occurs first.

8 (h) The commissioner of revenue may adopt regulations in accor-
9 dance with the Administrative Procedure Act (AS 44.62) to implement
10 this section.

11 (i) In this section

12 (1) "account" means the homesite habitable dwelling loan
13 guarantee account;

14 (2) "construction phase" means the period of time during
15 which a homesite habitable dwelling is under construction;

16 (3) "financial institution" means a bank, savings and loan
17 association, or credit union authorized to do business in the state.

18 * Sec. 2. AS 18.56.090 is amended by adding a new paragraph to read:

19 (28) purchase loans guaranteed under AS 38.08.210.

20 * Sec. 3. AS 44.47 is amended by adding a new section to read:

21 Sec. 44.47.515. HOMESITE HABITABLE DWELLING LOANS. Notwithstand-
22 ing the provisions of AS 44.47.380 - 44.47.510 the director may use
23 money in the nonconforming housing loan fund to purchase or participate
24 in the purchasing of loans guaranteed under AS 38.08.210.

25 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
26 070(c).