

Introduced: 1/11/82  
Referred: Labor & Commerce,  
State Affairs and Finance

1 IN THE HOUSE

BY METCALFE

2 HOUSE BILL NO. 630

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state loan programs; and providing  
7 for an effective date."

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

9 \* Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that the  
10 proliferation of loan programs administered by the state has resulted in  
11 confusion, inconsistency, and waste. Many state loan programs are no longer  
12 active while others have never been funded. The excessive involvement of  
13 state government in direct lending activities typically performed by the  
14 private financial sector has also resulted in unfair competition with private  
15 financial institutions and a weakening of those institutions. The legisla-  
16 ture further finds that although state involvement in lending is appropriate  
17 for certain recognized needs, the private financial market has already  
18 developed the requisite expertise to evaluate risks, service loans, and  
19 respond to changing market conditions and that state loan programs should  
20 usually be confined to a secondary market support function such as purchasing  
21 or insuring loans made by private financial institutions.

22 (b) It is the purpose of this Act

23 (1) to terminate those state loan programs that are inactive, as  
24 well as several loan programs that have questionable objectives;

25 (2) to consolidate two major areas of state loan activity, housing  
26 and business loans, into two authorities that will increase the accountabili-  
27 ty, consistency, and efficiency in these areas;

28 (3) to use the existing mechanism of the Alaska Industrial Develop-  
29 ment Authority, renamed the Alaska Business Loan and Industrial Development

1 Authority, to facilitate business loans to agricultural and fishing enter-  
2 prises;

3 (4) to remove the state from the private lending market and to  
4 return that function to competent private financial institutions.

5 \* Sec. 2. AS 44 is amended by adding a new chapter to read:

6 CHAPTER 90. ALASKA HOUSING LOAN AUTHORITY.

7 Sec. 44.90.010. CREATION. The Alaska Housing Loan Authority is  
8 created in the Department of Commerce and Economic Development.

9 Sec. 44.90.020. PURPOSE. (a) The authority shall coordinate,  
10 supervise, and give final approval for the purchase of loans under the  
11 following loan programs:

12 (1) senior citizens housing development fund (AS 18.54.070);

13 (2) Alaska Housing Finance Corporation (AS 18.56);

14 (3) nonconforming housing loan fund (AS 44.47.380);

15 (4) residential energy conservation fund (AS 45.89.010).

16 (b) The authority shall assess the need and monitor the supply of  
17 residential housing in the state and develop a comprehensive plan to  
18 make decent, safe, low and moderately priced residential housing avail-  
19 able to all persons by purchasing or participating in the purchase of  
20 loans made by financial institutions qualified under AS 06.

21 Sec. 44.90.030. MEMBERSHIP. (a) The membership of the authority  
22 consists of

23 (1) the commissioner of commerce and economic development and  
24 the commissioner of revenue;

25 (2) two persons to represent the interests of financial  
26 institutions regulated under AS 06, appointed by the governor; and

27 (3) three public members appointed by the governor.

28 (b) If a member described in (a)(1) or (a)(2) of this section is  
29 unable to attend a meeting of the authority, the member may, by an

1 instrument in writing filed with the authority, designate a person to  
2 act in his place at the meeting.

3 (c) The members described in (a)(2) and (a)(3) of this section  
4 serve two-year terms.

5 (d) If a vacancy occurs in the membership, the governor shall make  
6 an appointment, effective immediately, for the unexpired portion of the  
7 term.

8 (e) A public member appointed under (a)(3) of this section may not  
9 have a direct financial interest in any loan transaction that is subject  
10 to the approval of the authority.

11 Sec. 44.90.040. COMPENSATION. The members of the authority receive  
12 \$100 compensation for each day spent on official business of the authori-  
13 ty and may be reimbursed by the authority for actual and necessary ex-  
14 penses at the same rate paid to members of state boards under AS 39.20.-  
15 180.

16 Sec. 44.90.050. OFFICERS AND QUORUM. The commissioner of revenue  
17 is chairman of the authority. A majority of members of the authority  
18 constitutes a quorum.

19 Sec. 44.90.060. MEETINGS. (a) The authority shall meet at the  
20 call of its chairman. The authority shall meet not less than once every  
21 three months.

22 (b) The authority shall keep minutes of each meeting and send a  
23 copy to the governor and the legislature.

24 Sec. 44.90.070. STAFF. The authority may employ an executive  
25 director who may, with the approval of the authority, select and employ  
26 additional staff as necessary. Employees of the authority are in the  
27 exempt service under AS 39.25.110. In addition to its staff of regular  
28 employees, the authority may contract for and engage the services of  
29 bond counsel, consultants, experts, and financial advisors the authority

1 considers necessary for the purpose of developing information, furnish-  
2 ing advice, or conducting studies, investigations, hearings, or other  
3 proceedings.

4 Sec. 44.90.080. LEGAL COUNSEL. The attorney general is the legal  
5 counsel for the authority. He shall advise the authority in legal  
6 matters and represent it in legal proceedings.

7 Sec. 44.90.090. GENERAL POWERS. In furtherance of its purpose,  
8 the authority has the following powers in addition to its other powers:

- 9 (1) to sue and be sued;
- 10 (2) to have a seal and alter it at pleasure;
- 11 (3) to make and alter bylaws for its organization and internal  
12 management;
- 13 (4) to maintain an office at any place in the state;
- 14 (5) to acquire, hold, use, mortgage, encumber, or otherwise  
15 dispose of income, revenue, funds, memberships, contracts, bonds, or  
16 other property or interests in a corporation or other legal entity, or  
17 any other real or personal property;
- 18 (6) to accept gifts, grants, or loans from, and enter into  
19 contracts or other transactions with, any national, state, or municipal  
20 government, or agency or instrumentality of a government, or with any  
21 private organization, or other source;
- 22 (7) to deposit or invest its funds subject to agreements with  
23 bondholders and other parties;
- 24 (8) to purchase or insure loans to finance the costs of  
25 residential housing; and
- 26 (9) to enter into contracts or agreements with respect to the  
27 exercise of its powers, and to do all things necessary or convenient to  
28 carry out its purpose and to exercise the powers granted in this chapter.

29 Sec. 44.90.100. DEFINITIONS. In this chapter

1 (1) "authority" means the Alaska Housing Loan Authority;

2 (2) "residential housing" means a specific work or improve-  
3 ment undertaken primarily to provide dwelling accommodations without  
4 limitation as to form of lawful occupancy, whether rental, under con-  
5 tract, fee ownership, cooperative housing, condominium, mobile home,  
6 nonconforming housing, or other lawful form of ownership, including the  
7 acquisition, construction, or rehabilitation of land, buildings, and  
8 improvements to them, and such other nonhousing facilities as may be  
9 incidental or appurtenant to the land or buildings.

10 \* Sec. 3. AS 18.54.070(a) is amended to read:

11 (a) There is created within the Department of Community and Region-  
12 al Affairs a senior citizens housing development fund. Subject to  
13 direct appropriation or through proceeds of a bonding issue, the depart-  
14 ment shall make grants or loans to municipalities or, subject to the ap-  
15 proval of the Alaska Housing Loan Authority (AS 44.90), purchase or par-  
16 ticipate in the purchase of loans to corporations eligible for loans  
17 under this section [AS 18.54.050] for the purpose of developing senior  
18 citizen housing. A grant from the proceeds of a bond issue may be made  
19 only to municipalities.

20 \* Sec. 4. AS 18.54.070 is amended by adding a new subsection to read:

21 (f) The department may only purchase or participate in the pur-  
22 chase of a loan to a public or nonprofit private corporation. A non-  
23 profit corporation must be designated as tax exempt under sec. 501(c)(3)  
24 and (4) of the Internal Revenue Code of 1954.

25 \* Sec. 5. AS 18.56.090 is amended to read:

26 Sec. 18.56.090. GENERAL POWERS. In addition to other powers  
27 granted in this chapter and subject to the approval of the Alaska Hous-  
28 ing Loan Authority (AS 44.90), the corporation may, for the purpose of  
29 providing housing for persons of lower and moderate income or persons

1 located in remote, underdeveloped or blighted areas of the state and for  
2 its other corporate purposes,

3 (1) (repealed);

4 (2) [MAKE OR PARTICIPATE IN THE MAKING OF MORTGAGE LOANS TO  
5 SPONSORS, DEVELOPERS, BUILDERS AND PURCHASERS OF RESIDENTIAL HOUSING, IF  
6 THE CORPORATION DETERMINES THAT MORTGAGE LOANS ARE NOT OTHERWISE AVAIL-  
7 ABLE, WHOLLY OR IN PART, FROM PRIVATE LENDERS UPON REASONABLY EQUIVALENT  
8 TERMS AND CONDITIONS;]

9 (3) purchase or participate in the purchase of mortgage loans  
10 made to sponsors, developers, builders, owners and purchasers of resi-  
11 dential housing, if the corporation

12 (A) has given approval before the initial making of the  
13 loan and has determined that mortgage loans were, at the time the  
14 approval was given, not otherwise available, wholly or in part,  
15 from private lenders upon reasonably equivalent terms and condi-  
16 tions, or

17 (B) has determined that the purchase or participation  
18 will result in additional residential housing, taking into account  
19 without limitation such factors as reinvestment of the proceeds of  
20 the sale in additional mortgage loans, increased availability of  
21 mortgage loans insured by the federal government, its agencies or  
22 departments, the reduction, if any, of interest payments to be made  
23 with respect to mortgage loans, or such other factors as will tend  
24 to increase or improve the supply of residential housing within the  
25 state;

26 (4) make partial rental payments and mortgage interest pay-  
27 ments under a contract with any housing owner if the payments will be  
28 applied to decrease rental or mortgage interest charges of persons of  
29 lower and moderate income or owners or purchasers of residential housing

1 in remote, underdeveloped or blighted areas of the state;

2 (5) [MAKE LOANS FROM THE HOUSING DEVELOPMENT FUND;]

3 (6) collect and pay reasonable fees and charges in connection  
4 with making, purchasing and servicing its mortgages, loans, notes,  
5 bonds, certificates, commitments and other evidences of indebtedness;

6 (7) acquire real property, or any interest in real property,  
7 in its own name, by purchase, transfer or foreclosure, when the acquisi-  
8 tion is necessary or appropriate to protect any loan in which the cor-  
9 poration has an interest; sell, transfer and convey any such property to  
10 a buyer; and, if the sale, transfer or conveyance cannot be effected  
11 with reasonable promptness or at a reasonable price, rent or lease the  
12 property to a tenant pending the sale, transfer or conveyance;

13 (8) sell, at public or private sale, to any purchaser, includ-  
14 ing the Federal National Mortgage Association, all or any part of a  
15 mortgage or other instrument or document securing a construction, land  
16 development, mortgage or temporary loan of any type permitted by this  
17 chapter;

18 (9) purchase, in order to meet the requirements of the sale  
19 of its mortgages to the Federal National Mortgage Association, stock of  
20 the Federal National Mortgage Association;

21 (10) procure insurance against any loss in connection with its  
22 operation;

23 (11) consent to the modification of the rate of interest, time  
24 of payment of any installment of principal or interest, or any other  
25 terms, of the mortgage loan, mortgage loan commitment, construction  
26 loan, temporary loan, contract or agreement of any kind to which the  
27 corporation is a party;

28 (12) borrow money as provided in this chapter to carry out and  
29 effectuate its corporate purposes; and issue its obligations as evidence

1 of any such borrowing;

2 (13) include in any borrowing the amounts necessary to pay  
3 financing charges, interest on the obligations for a period not exceeding  
4 one year after the date on which the corporation estimates funds will  
5 otherwise be available to pay the interest, consultant, advisory and  
6 legal fees and such other expenses as are necessary or incident to this  
7 borrowing;

8 (14) under AS 18.56.088, adopt and publish regulations respect-  
9 ing its lending programs and such other regulations as are necessary to  
10 effectuate its purposes;

11 (15) provide technical and advisory services to sponsors,  
12 builders and developers of residential housing and to residents of it;

13 (16) promote research and development in scientific methods of  
14 constructing low-cost and energy-efficient residential housing of high  
15 durability;

16 (17) make and execute agreements, contracts and other instru-  
17 ments necessary or convenient in the exercise of the powers and functions  
18 of the corporation under this chapter, including contracts with any  
19 person, firm, corporation, governmental agency or other entity;

20 (18) receive, administer and comply with the conditions and  
21 requirements respecting any appropriation or gift, grant or donation of  
22 property or money;

23 (19) sue and be sued in its own name;

24 (20) adopt an official seal;

25 (21) adopt bylaws for the regulation of its affairs and the  
26 conduct of its business and prescribe rules, regulations and policies in  
27 connection with the performance of its functions and duties;

28 (22) employ fiscal consultants, engineers, attorneys, real  
29 estate counselors, appraisers and such other consultants and employees

1 as may be required in the judgment of the corporation, and fix and pay  
2 their compensation from funds available to the corporation;

3 (23) do all acts and things necessary, convenient or desirable  
4 to carry out the powers expressly granted or necessarily implied in this  
5 chapter;

6 (24) invest or reinvest, subject to its contracts with note-  
7 holders and bondholders, any money or funds held by the corporation in  
8 any obligations or other securities or investments in which banks or  
9 trust companies in the state may legally invest funds held in reserves  
10 or sinking funds or any funds not required for immediate disbursement,  
11 and in certificates of deposit or time deposits secured by obligations  
12 of, or guaranteed by, the state or the United States of America.

13 (25) (repealed);

14 (26) (repealed);

15 (27) (repealed).

16 \* Sec. 6. AS 44.47.370 is amended to read:

17 Sec. 44.47.370. POWERS OF DIRECTOR. Subject to the approval of  
18 the Alaska Housing Loan Authority (AS 44.90), the [THE] director may

19 (1) adopt regulations in accordance with the Administrative  
20 Procedure Act (AS 44.62) to implement AS 44.47.360 - 44.47.560;

21 (2) make and execute agreements, contracts, and other instru-  
22 ments necessary or convenient in the exercise of his powers and functions  
23 under AS 44.47.360 - 44.47.560;

24 (3) purchase or participate in the purchase of nonconforming  
25 housing mortgage loans in accordance with AS 44.47.360 - 44.47.560;

26 (4) purchase or participate in the purchase of loans for  
27 building materials for nonconforming housing in accordance with AS 44.-  
28 47.360 - 44.47.560;

29 (5) procure insurance against loss in connection with his

1 functions under AS 44.47.360 - 44.47.560;

2 (6) acquire real or personal property, or an interest in real  
3 or personal property, by purchase, transfer or foreclosure, when the  
4 acquisition is necessary or appropriate to protect a loan in which the  
5 division has an interest; sell, transfer and convey that property to a  
6 buyer; and, if the sale, transfer or conveyance cannot be effected with  
7 reasonable promptness or at a reasonable price, rent or lease the  
8 property to a tenant pending the sale, transfer or conveyance;

9 (7) do all acts necessary, convenient or desirable to carry  
10 out the powers expressly granted or necessarily implied in AS 44.47.360 -  
11 44.47.560 [;]

12 [(8) ORIGINATE AND SERVICE DIRECT LOANS MADE TO QUALIFIED  
13 BUYERS IN ACCORDANCE WITH AS 44.47.360 - 44.47.560].

14 \* Sec. 7. AS 44.47.380 is amended to read:

15 Sec. 44.47.380. NONCONFORMING HOUSING LOAN FUND. There is created  
16 in the Department of Community and Regional Affairs the nonconforming  
17 housing loan fund consisting of money appropriated to it by the legisla-  
18 ture. The director shall administer the nonconforming housing loan fund  
19 in accordance with AS 44.47.360 - 44.47.560 and shall use the money in  
20 the nonconforming housing loan fund to [ORIGINATE,] purchase [,] or  
21 participate in the purchase of

22 (1) nonconforming housing mortgage loans;

23 (2) loans made for building materials for nonconforming  
24 housing;

25 (3) loans made for renovations or improvements to nonconform-  
26 ing housing;

27 (4) loans made for the construction of owner-occupied noncon-  
28 forming housing other than loans to builders or contractors or loans  
29 that compensate an owner for his labor or services in constructing his

1 own housing.

2 \* Sec. 8. AS 44.47.390 is amended to read:

3 Sec. 44.47.390. LIMITATIONS ON USE OF NONCONFORMING HOUSING LOAN  
4 FUND. The director may not use the money in the nonconforming housing  
5 loan fund to

6 (1) [ORIGINATE A DIRECT LOAN OR] purchase or participate in  
7 the purchase of a nonconforming housing mortgage loan which exceeds the  
8 limitations on mortgage loans purchased by the Federal National Mortgage  
9 Association as to principal amount or loan-to-value ratio;

10 (2) [ORIGINATE A DIRECT LOAN OR] purchase or participate in  
11 the purchase of a loan made for building materials for nonconforming  
12 housing

13 (A) which exceeds \$45,000 or exceeds

14 (i) 80 percent of the appraised value of the work  
15 completed on the nonconforming housing for which the loan is  
16 made if the nonconforming housing is pledged as collateral for  
17 the loan; or

18 (ii) 90 percent of the value of other property which  
19 is pledged as security for the loan and which is satisfactory  
20 to the director as collateral;

21 (B) unless the terms of the loan agreement require  
22 inspections and certifications, as required by regulations of the  
23 director, at the expense of the borrower; and

24 (C) unless the period of time allowed for repayment of  
25 the loan is equal to or less than 15 years;

26 (3) [ORIGINATE DIRECT LOANS OR] purchase or participate in  
27 the purchase of a nonconforming housing mortgage loan which is secured  
28 by real property the marketable title to which is shown in accordance  
29 with AS 44.47.420(b)(2) if the total amount of outstanding nonconforming

1 housing mortgage loans held by the division exceeds 10 times the amount  
2 of money in the restricted title loss reserve account (AS 44.47.430).

3 \* Sec. 9. AS 44.47.400 is amended to read:

4 Sec. 44.47.400. SECURITY FOR LOANS. (a) The director shall  
5 adopt regulations in accordance with the Administrative Procedure Act  
6 (AS 44.62) establishing acceptable security for loans [ORIGINATED OR]  
7 purchased in whole or in part under AS 44.47.380.

8 (b) A person may pledge as security for the repayment of a loan  
9 [ORIGINATED OR] purchased in whole or in part under AS 44.47.380 a  
10 preference right he holds to receive title to land he occupies as a  
11 primary place of residence, primary place of business, subsistence  
12 campsite, or as headquarters for reindeer husbandry. The preference  
13 right must be conveyed to the person by the Native corporation to which  
14 the land was granted under section 14 of the Alaska Native Claims Settle-  
15 ment Act (85 Stat. 688, 43 U.S.C. secs. 1601 - 1626, as amended by P.L.  
16 94-204) before it may be pledged as security under this subsection. The  
17 commissioner of community and regional affairs shall prescribe procedures  
18 and standard forms for establishing, pledging, and appraising the value  
19 of a preference right held by a person to secure the repayment of a loan  
20 [ORIGINATED OR] purchased in whole or in part under AS 44.47.380.

21 \* Sec. 10. AS 44.47.410 is amended to read:

22 Sec. 44.47.410. INTEREST ON LOANS. The interest rate on a mortgage  
23 loan [ORIGINATED OR] purchased in whole or in part under AS 44.47.380 is  
24 equal to the interest rate, as determined under AS 18.56.098(g)(1) -  
25 (4), on a mortgage loan purchased under AS 18.56.098(g) from the proceeds  
26 of the most recent applicable issue of taxable bonds before the [ORIGINA-  
27 TION OR] purchase of the mortgage loan [ORIGINATED OR] purchased under  
28 AS 44.47.380.

29 \* Sec. 11. AS 44.47.420(a) is amended to read:

1 (a) Before the director [ORIGINATES OR] purchases a nonconforming  
2 housing mortgage loan in whole or in part, the director may require a  
3 borrower to show marketable title to real property offered as security  
4 for the loan to be purchased.

5 \* Sec. 12. AS 44.47.430(b) is amended to read:

6 (b) The director may withdraw money from the restricted title loss  
7 reserve account in an amount equal to the loss to the division on a  
8 nonconforming housing mortgage loan [ORIGINATED OR] purchased in whole  
9 or in part by the division if marketable title to the real property used  
10 to secure the loan was shown in accordance with AS 44.47.420(b)(2).  
11 Money withdrawn from the restricted title loss reserve account under  
12 this section shall be deposited in the nonconforming housing loan fund.

13 \* Sec. 13. AS 44.47.460 is amended to read:

14 Sec. 44.47.460. LOAN ORIGINATION AND SERVICING. (a) Before  
15 purchasing or participating in the purchase of a loan, the director  
16 shall enter into a loan servicing agreement with the private financial  
17 institution from which the loan is to be purchased.

18 [(b) THE DIRECTOR MAY EXECUTE SERVICE AGREEMENTS WITH PRIVATE  
19 LENDING INSTITUTIONS TO SERVICE LOANS ORIGINATED BY THE DIVISION.]

20 (c) Under the servicing agreement, the private financial institu-  
21 tion shall administer the loan and may charge the division a negotiated  
22 origination or servicing fee on the division's share of the loan. When  
23 appropriate, the private financial institution may also charge the  
24 borrower a reasonable originator fee not to exceed one percent.

25 (d) Servicing [LOAN ORIGINATION AND SERVICING] agreements entered  
26 into under this section may provide for higher fees for loans made for  
27 nonconforming housing located outside of cities of organized boroughs  
28 and service areas of unified municipalities that have a population in  
29 excess of 3,500, than for other loans made for nonconforming housing.

1 The division may pay a portion of the higher fees.

2 \* Sec. 14. AS 44.47.470 is amended to read:

3 Sec. 44.47.470. APPRAISALS. Before [ORIGINATING OR] purchasing  
4 or participating in the purchase of a nonconforming housing mortgage  
5 loan, the director may have or may require the borrower to have an  
6 appraisal made of the fair market value of the real property, including  
7 structures on the real property, for which the loan is made. In conduct-  
8 ing an appraisal under this section, the appraiser shall give full value  
9 to insulation and other features of construction in structures on the  
10 real property which add to the energy efficiency of the structures.

11 \* Sec. 15. AS 44.47.490(b) is amended to read:

12 (b) The personnel described in (a) of this section may make visits  
13 to the regions established under AS 44.47.510(a) to provide preconstruction  
14 and post-construction inspections of real property for which loans  
15 are [ORIGINATED OR] purchased by the division in whole or in part under  
16 AS 44.47.380 and to provide assistance to private financial institutions  
17 and their borrowers in the regions. Authority for final approval of  
18 loans may not be exercised by the personnel described in this section.

19 \* Sec. 16. AS 44.47.510(b) is amended to read:

20 (b) Unless otherwise required by an appropriation, the director  
21 shall allocate the money in the nonconforming housing loan fund among  
22 the regions established under (a) of this section for the purpose of  
23 [ORIGINATING OR] purchasing each type of loan described in AS 44.47.380.  
24 In making an allocation under this subsection, the director shall con-  
25 sider the past and potential lending activity of private financial  
26 institutions in the region as well as the need for loans in the region.  
27 The director may reallocate the money among the regions as he considers  
28 necessary.

29 \* Sec. 17. AS 44.88.010(a)(5) is amended to read:

1 (5) the achievement of the goal of full employment, and of  
2 establishment and continuing operation and development of industrial,  
3 manufacturing, and business enterprises in the state, including facili-  
4 ties for air and water transportation, facilities for pollution control  
5 and waste disposal, facilities for the local furnishing of gas, facili-  
6 ties for water, and facilities for industrial parks, will be accelerated  
7 and facilitated by the creation of an instrumentality of the state with  
8 powers to incur debt and to [MAKE AND] insure loans to finance, and to  
9 assist private lenders to make loans to finance, the establishment,  
10 operation, and development of industrial, manufacturing, and business  
11 enterprises, including facilities for air and water transportation,  
12 facilities for pollution control and waste disposal, facilities for the  
13 local furnishing of gas, facilities for water, and facilities for indus-  
14 trial parks;

15 \* Sec. 18. AS 44.88.020 is amended to read:

16 Sec. 44.88.020. CREATION OF AUTHORITY. There is created the  
17 Alaska Business Loan and Industrial Development Authority. The authority  
18 is a public corporation of the state and a body corporate and politic  
19 constituting a political subdivision within the Department of Commerce  
20 and Economic Development, but with separate and independent legal exis-  
21 tence.

22 \* Sec. 19. AS 44.88.080 is amended by adding new paragraphs to read:

23 (19) to purchase or insure loans for fishing vessels to be  
24 used by a small enterprise;

25 (20) to purchase or insure loans to purchase a limited entry  
26 permit required under AS 16.43.140.

27 \* Sec. 20. AS 44.88.220(1) is amended to read:

28 (1) "authority" means the Alaska Business Loan and Industrial  
29 Development Authority created by this chapter.

1 \* Sec. 21. AS 45.89.010 is amended to read:

2       Sec. 45.89.010. FUND ESTABLISHED. There is established in the  
3 Department of Commerce and Economic Development the residential energy  
4 conservation fund to carry out the purposes of this chapter. Refunds,  
5 grants and loans purchased [MADE] under this chapter may be used to  
6 purchase, construct, and install an energy conservation improvement in  
7 residential buildings. The fund may be used for no other purpose.

8 \* Sec. 22. AS 45.89.030(a) is amended to read:

9       (a) Subject to the approval of the Alaska Housing Loan Authority  
10 (AS 44.90), the [THE] department may purchase or participate in the pur-  
11 chase of [MAKE] loans for the purchase, construction, and installation  
12 of an energy conservation improvement in a residential building.

13 \* Sec. 23. After July 1, 1982, no further loans may be made under AS 03.-  
14 10; AS 16.10.333, 16.10.650 - 16.10.720; AS 18.56.100; AS 26.15; AS 44.33.-  
15 240 - 44.33.275, 44.33.320 - 44.33.380; and AS 44.81.

16 \* Sec. 24. AS 18.54.010 - 18.54.060; AS 18.55.300 - 18.55.470; AS 18.56.-  
17 210(5); AS 34.60.135; AS 37.11.100; AS 37.12; AS 44.25.030 - 44.25.038;  
18 AS 44.47.320 - 44.47.350, 44.47.385; and AS 44.81 are repealed.

19 \* Sec. 25. This Act takes effect July 1, 1982.  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29