

Introduced: 2/12/82
Referred: State Affairs and
Finance

BY THE STATE AFFAIRS
COMMITTEE BY REQUEST

1 IN THE HOUSE

2 HOUSE BILL NO. 774

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 veterans' loans; establishing the
7 Alaska veterans revolving loan fund; and providing for
8 an effective date."

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

10 * Section 1. AS 26.15.040(a) is amended to read:

11 (a) The commissioner of commerce and economic development may,
12 under regulations and policies adopted by him, make the following loans:

13 (1) Personal loans may be made for educational, domestic,
14 remote area family housing and other personal purposes, not exceeding
15 \$30,000 [\$10,000]. The loans shall be secured by acceptable collateral
16 when available but if not available the commissioner may make loans on
17 the basis of good character. The rate of interest may not exceed eight
18 [NINE AND ONE-HALF] percent a year on the unpaid balance.

19 (2) repealed

20 (3) Business loans not exceeding \$300,000 [\$125,000] may be
21 made to acquire, finance or refinance or equip businesses, including
22 mining and fishing but not including farming, if the loan applicant has
23 had three or more years of general business experience. The loans shall
24 be secured by acceptable collateral and may not exceed 75 percent of the
25 appraised value of the collateral offered as security. The rate of
26 interest may not exceed eight [NINE AND ONE-HALF] percent a year on the
27 unpaid balance.

28 (4) Multiple dwelling loans not exceeding \$250,000 [\$110,000]
29 may be made to purchase, remodel, repair, build, furnish, refinance or

1 equip multiple dwellings. The loans shall be secured by acceptable
2 collateral and may not exceed 80 [75] percent of the appraised value of
3 the collateral offered as security. The rate of interest may not exceed
4 eight [NINE AND ONE-HALF] percent a year on the unpaid balance.

5 * Sec. 2. AS 26.15.040(b) is amended to read:

6 (b) The commissioner of commerce and economic development may
7 enter into agreements with private banks, other lending institutions and
8 individuals for the purpose of guaranteeing loans made to qualified
9 applicants. The guarantees may not exceed 95 [90] percent of the amount
10 loaned and the loans shall be secured in the same manner provided for
11 direct loans under this section. A loan made under this subsection and
12 guaranteed by the commissioner of commerce and economic development and
13 the state shall bear an interest rate not exceeding eight [NINE AND
14 ONE-HALF] percent a year on the unpaid balance.

15 * Sec. 3. AS 26.15.040(c) is amended to read:

16 (c) No loans authorized by (a)(2), (3) and (4) of this section may
17 be made unless the commissioner of commerce and economic development is
18 satisfied that money at a comparable rate of interest is not available
19 to the applicant from private lending institutions on a guaranteed basis
20 as set out in (b) of this section. An applicant is eligible for more
21 than one type of loan, but the total may not exceed \$300,000 [\$125,000]
22 at any one time.

23 * Sec. 4. AS 26.15.040(d) is amended to read:

24 (d) Money loaned shall be delivered to the borrower in the form of
25 a warrant drawn on the treasury, vouchered in the manner prescribed for
26 state disbursing officers, and charged against the Alaska veterans [WORLD
27 WAR II VETERANS'] revolving loan fund. Each voucher shall be approved
28 by the commissioner of commerce and economic development or any bonded
29 deputy authorized to act as a certifying officer. Upon repayment of

1 loans by installments, or otherwise, in accordance with the prescribed
2 terms, or upon liquidation by foreclosure or other process, or upon
3 receipt of interest or other revenue, the money so received shall be
4 turned over to the commissioner of revenue for deposit in the Alaska
5 veterans [WORLD WAR II VETERANS'] revolving loan fund.

6 * Sec. 5. AS 26.15.090 is repealed and reenacted to read:

7 Sec. 26.15.090. ALASKA VETERANS REVOLVING LOAN FUND. (a) The
8 Alaska veterans revolving loan fund is established in the Department of
9 Commerce and Economic Development. The Alaska veterans revolving loan
10 fund consists of appropriations made to it by the legislature and repay-
11 ments of principal and interest on loans made from the fund.

12 (b) Money in the Alaska veterans revolving loan fund shall be used
13 only to make loans under AS 26.15.040.

14 * Sec. 6. The assets and liabilities of the Alaska World War II veterans'
15 revolving fund are transferred to the Alaska veterans revolving loan fund
16 established in AS 26.15.090 amended by sec. 5 of this Act.

17 * Sec. 7. The sum of \$80,000,000 appropriated from the general fund to
18 the Alaska veterans revolving loan fund is considered to be a loan that shall
19 be repaid from the Alaska veterans revolving loan fund to the general fund in
20 equal installments over a 15-year period beginning July 1, 2010, and ending
21 July 1, 2035. Interest at the rate of five percent a year shall be paid on
22 the outstanding balance of the loan from July 1, 1989, until the loan has
23 been fully repaid.

24 * Sec. 8. Section 7 of this Act takes effect on the effective date of an
25 Act making an appropriation of \$80,000,000 from the general fund to the
26 Alaska veterans revolving loan fund.

27 * Sec. 9. Sections 1 - 6 of this Act take effect immediately in accor-
28 dance with AS 01.10.070(c).

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