

Introduced: 5/13/81
Referred: Judiciary, Labor &
Commerce and Finance

1 IN THE SENATE

BY BRADLEY

2 SENATE BILL NO. 561

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 a citizens revolving loan fund in
7 the Alaska Industrial Development Authority; and
8 providing for an effective date."

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

10 * Section 1. AS 44.88 is amended by adding new sections to read:

11 ARTICLE 5. CITIZENS REVOLVING LOAN FUND.

12 Sec. 44.88.300. CITIZENS REVOLVING LOAN FUND ESTABLISHED. The
13 citizens revolving loan fund is established in the authority, consist-
14 ing of money appropriated to it by the legislature and repayments of
15 principal and interest on loans.

16 Sec. 44.88.310. LOANS FROM CITIZENS REVOLVING LOAN FUND. (a)
17 The authority shall, under regulations and policies adopted by it,
18 participate in the making of loans for educational, domestic, and other
19 personal purposes, not exceeding \$15,000.

20 (b) A loan under this section shall be secured by acceptable
21 collateral and approved by a review committee of at least three members
22 established under regulations adopted by the authority.

23 (c) A loan may not be made using money from the citizens revolving
24 loan fund unless an agreement with conditions acceptable to the author-
25 ity providing for collection and other required servicing of the loan
26 and at least 10 percent participation in the total amount of the loan
27 by an Alaska bank is in effect.

28 (d) The costs of collecting loans and other loan service shall be
29 considered in determining the interest rate on a loan, subject to the

1 limits on interest rates under AS 44.88.320. Service or collection
2 fees may not be charged to a person receiving a loan under AS 44.-
3 88.300 - 44.88.340.

4 (e) A person who receives a loan under AS 44.88.300 - 44.88.340
5 may not be required to repay the loan at a rate which exceeds 10 percent
6 of the amount of the loan or \$1,000 a year, whichever is less, plus
7 interest due on the loan.

8 Sec. 44.88.320. INTEREST RATE. The department shall determine
9 the interest rate charged on a loan made under AS 44.88.310 in accor-
10 dance with the following:

11 (1) The interest rate may not exceed 10 percent if the loan
12 is made to a person other than an eligible veteran under AS 44.88.330.

13 (2) The interest rate may not exceed nine percent if the
14 loan is made to an eligible veteran under AS 44.88.330.

15 Sec. 44.88.330. ELIGIBILITY FOR VETERANS' INTEREST RATES. The
16 following persons are eligible veterans for the purposes of AS 44.-
17 88.320:

18 (1) a person who served in the armed forces of the United
19 States for 181 days or more, or whose service was for less than 181
20 days because of injury or disability incurred in the line of duty,
21 after April 6, 1917,

22 (A) who at the time of induction into the service was a
23 resident of the territory or state, who had been a resident for
24 not less than one year immediately before his induction, and who
25 returned to the territory or state within one year after discharge
26 as a resident with the intention of remaining in the territory or
27 state; or

28 (B) who, not being a bona fide resident of the terri-
29 tory or state at the time of entry into the service, has been a

1 resident of the territory or state for at least one year at the
2 time of the loan application and has been a resident of the
3 territory or state for least five years; and

4 (C) whose discharge was under honorable conditions;

5 (2) the widow or widower of a member of the armed forces of
6 an eligible veteran if

7 (A) the member or veteran was a resident of the terri-
8 tory or state for one year before induction into the service;

9 (B) the member or veteran served in the armed forces
10 for at least 90 days after April 6, 1917; and

11 (C) his discharge was under honorable conditions;

12 (3) a person who has served in the Alaska Army National
13 Guard, the Alaska Air National Guard, or the Alaska Naval Militia or
14 who has served in a reserve unit of the United States armed forces in
15 Alaska if the reserve unit required, as a minimum, one weekend each
16 month of duty and 15 consecutive days of active duty training each year
17 for not less than five years and whose discharge was under honorable
18 conditions.

19 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
20 070(c).